# The Financial Post

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## He Heads Construction

**Albert Deschamps, 54, Montreal, general contractor, has been chosen for 1946-47 to head the 29-year-old Canadian Construction Association. He takes the helm of Canada's senior construction organization as that major industry tackles unprecedented supply and labor shortages and an all-time record building demand.**

For sketch of Mr. Deschamps, see page 6.

THE NATION'S BUSINESS

## Ability to Pay Is Risky Wage Basis

If Congress adopts President Truman's proposal that a company's ability to pay be a prime yardstick in fact-finding settlement of industrial disputes, then Canada can expect to have this formula introduced here. There would be strong pressure from union labor leaders that might be difficult to withstand.

However it may be expected that Congress will realize that industrial peace can't be achieved by forcing the management of General Motors, or any other industry, to base wage rates solely on current ability to pay. This is becoming increasingly evident. The proposal that this company open its books to enable a fact-finding board to determine whether it can afford to pay a 30% increase in hourly wage rates would actually be against the interests of labor. It would be also the death sentence for low profit companies, discourage the use of savings in new enterprise and would leave corporate records open to constant union-inspired "witch-hunts."

If labor generally were to accept the principle that wages should be linked to profits, would they similarly be prepared to tie wages to losses? This is the logical quid-pro-quo in the formula now being advanced by the United Automobile Workers. Since this would involve sudden downward wage adjustments in periods of reduced earnings, it is extremely doubtful whether labor would stand to gain anything.

Under this formula businesses which could not pay the wage rates established for their more profitable competitors would be forced to the wall. Labor would leave them for the area of more profitable employment. In practice the wage rate set by the fact-finding board for the most efficient concern would become the prevailing rate throughout that industry.

New enterprise would be discouraged by adoption of this principle. The prospective investor would quite properly assume that he would, at best, only receive a nominal return which might not adequately compensate him for the risks involved. In Canada there is a required investment of approximately $5,000 to put one man to work and although all forseeable factors might warrant the use of savings in developing a new enterprise, there is the distinct possibility that individuals would not direct their savings into such channels as long as earnings were subject in the last analysis to the judgment of fact-finding bodies and not management.

The ability to pay principle would leave industry open to continued requests by labor for examination of corporate earnings—past, present and prospective. There would be no end to witch-hunting through corporation accounts by fact-finding boards under constant union pressure.

Sharing of profits, if and as earned, has had support from many industrialists and appears to have worked well in some cases. But the pre-allocation of profits, whether earned or not, is something entirely different.

• • •

## A New Look at Forest Control

There will be little quarrel with the basic theme of Chief Justice Sloan's report on British Columbia's forest policies. Justice Sloan quite rightly takes the view that forest products are a crop and must be treated accordingly, with adequate measures taken for the seeding and growth period—a marked change from past performance in which harvesting was almost the only consideration.

That governments as well as individuals have been prodigal with Canada's forest assets is demonstrated anew by the Commission's report that British Columbia's Government only spends about one dollar on the forests for every three dollars in revenue that it gets from this source. The fact that for Canada as a whole some 63 cents out of every dollar of forest revenue goes back to forest development serves to emphasize that the Sloan Report is of national, not merely local significance.

Thus far, only a summary of this report has been made available, but it is clear that it recommends three basic approaches:

1. It would increase government spending on forest protection and development;

2. It would adopt a more orderly method of cutting and replanting, which would equalize and stabilize operating conditions as well as assure replanting;

3. It would concentrate control over timberlands and operating conditions in the hands of a new Forestry Commission, staffed by leading citizens, not by forest experts, but to which the industry would have access through an advisory council of the industry. The Commission would be vested with taxing powers and its decisions would be final.

Undoubtedly, the powers and position of this Commission will be the key points of argument over the Sloan recommendations. Although Justice Sloan sees a parallel for such a powerful body in provincial liquor commissions and some other groups, there would seem to be grave grounds for doubt that the provincial governments can surrender tax powers in this way.

But aside from the constitutional question, is it in the public interest to assign dictatorial powers in this manner? The forest industries themselves favor a strong central body, and have said so in their briefs to the Royal Commission.

A strong central body is undoubtedly necessary. But whether an appointed body should be given the right to transfer timber holdings, to levy taxes, and to be answerable to the courts only on points of law certainly deserves careful study. It would seem that only after all other more democratic avenues have been exhausted should such an extreme measure be considered.

## Can.-China Trade Is Aim Of New Firm

### Canada Industrialists Launch Joint Setup With Chinese Bankers — See Two-way Flow

China needs Canadian equipment for its industries, transport and utilities. China in turn offers Canada a wide range of industrial materials. And recent new hope for permanent settlement of Chinese internal political conflict underlies growing expectations of a substantial volume of two-way Canada-China trade. The proposed Canadian loan to China also will be an important factor in forwarding initial trade negotiations.

MR. PEERS

To promote such trade, Sino-Canadian Development Co. has been recently organized in Canada, with head office at 1200 Bay St., Toronto, another to be opened in Shanghai. With small ($250,000) initial capital and "exploration" its first aim, Sino-Canadian Development has been formed by six Canadians in conjunction with the 11-year-old China Development Finance Corp. Shanghai, representing a group of Chinese banks with the object of uniting Chinese and foreign capital in economic reconstruction of China.

Canadians concerned are Roy G. Peers, director and executive vice-president; Henry Borden, Toronto, director and president; H. R. MacMillan, Vancouver, director; J. Y. Murdoch, K.C., Toronto, director; Col. W. E. Phillips, Toronto, director; E. P. Taylor, Toronto, director. M. C. Tillotson is secretary-treasurer. To be nominated or appointed are board chairman, another executive vice-president and an assistant secretary-treasurer, all Chinese.

MR. BORDEN

Roy Peers, as full-time organizer, will run the show. Formerly general manager of War Supplies Ltd., he has been recently adviser to the National Resources Commission of China at New York and adviser to the Chinese Supply Commission at Ottawa. Temporarily he will keep both jobs at least until current loan negotiations are concluded.

Sino-Canadian Development Co. officers fully expect their present studies and contacts will definitely lead to a valuable trade exchange. To a great extent success of their hopes will depend on what they can find in China to buy for Canada.

Expectation of the company, based in part on pre-war trade with China and in part on recent study of post-

(Continued on page 2, col. 6)

## Cabinet, Builders, Seek More Housing Supplies

OTTAWA (Staff)—Definite steps to "expedite and increase" supply of materials for 1946 house building and other construction, are planned by the Department of Reconstruction and Supply.

In a joint industry-government move to explore such measures, the Canadian Construction Association and Reconstruction Minister Howe are naming a committee to include, for the CCA, Robert Drummond, Toronto, general contractor, Philip N. Gross, Montreal, general contractor, R. A. Seasons, Ottawa, trade contractor, Lorne Bain, Montreal, manufacturer and R. G. Johnson, Ottawa, associate general manager of the association. Government appointees are yet to be named. The committee will study shortage causes, develop a speed-up supply and allocation production program. Some quarters foresee further limited easing of the price ceiling for certain key materials.

Paralleling the work of this committee it is hoped to provide soon a reasonably accurate estimate of how many homes of various types will be built in Canada this year. Present estimates range from 100,000 to 800,000 units over the next five-year period.

At the moment no over-all policy can be determined. Individual situations will probably be treated in different ways. Broadly, four or five main items or groups are to receive special attention; wallboard, brick, lumber, plumbing fixtures, soil pipe.

In wallboard, the bottleneck is pulpwood. There is plenty of capacity, but steps must be taken by way of price increase, subsidy or some such means to ensure that enough raw material is diverted from the more profitable export or newsprint markets.

Brick manufacturers likewise are said to have enough capacity, but are currently bogged down with labor and other troubles. Difficulty over the price ceiling is also reported. Plumbing supply shortages may be eased by unexpected imports from United Kingdom and new production in Toronto.

Lumber situation will be reviewed this week when leading operators arrive here from B. C. for discussions with the Government. Overall supply is expected to be adequate but regional and type shortages are expected unless extra measures are adopted.

To what extent, if at all, it may be necessary to resort to definite allocations to ensure adequate supplies, will probably not be decided until the CCA and Government officials complete their studies—possibly in a month or six weeks.

## Drive to Place 20,000 Loggers

A Dominion-wide campaign to obtain men for work in lumber camps was announced this week by the Federal Labor Department. It reported 184,720 men and women seeking employment and only 79,428 vacancies available as at the end of 1945.

Of the vacancies listed, 23,500 are for loggers; but it was stated that a considerably larger number than this could be absorbed by the industry. It is anticipated that from 15,000 to 20,000 additional men might be transferred to lumbering and logging camps during January.

The employment picture for Canada's five regions, showing unfilled vacancies and unplaced applicants (in brackets) at the end of 1945 is as follows:

| | | |
|---|---|---|
| Maritimes .. | 5,426 | (13,802) |
| Quebec ..... | 34,188 | (67,067) |
| Ontario ..... | 23,218 | (55,779) |
| Prairies ..... | 10,606 | (24,510) |
| B. C. ....... | 5,990 | (23,562) |

## No Rush Yet For New Tires

### Can Fill Demand Now, See Shortage Later — Used Tire Sales Drop

The great rush for new tires expected by dealers with the removal of rationing on Jan. 1 has not materialized, dealers and distributors interviewed by The Financial Post say. Sales are steady and volume is up substantially, but there has been little difficulty in filling orders.

Nearly all tire sizes are available except some odd ones. If popular sizes are out of stock, it is only for a day or so. However, inventories are not up to normal and an acute shortage is foreseen next spring and summer.

Manufacturers who make tires for new cars have been in an easier position due to the strike in the automobile industry, but once car production is resumed they will have to supply this trade. With plants now working at capacity they see little chance of stocking up to meet heavier demands of late spring.

With the removal of rationing the bottom has dropped out of the retread business, except for the normal flow of truck tire business, dealers say. Tires are now so old that customers prefer to get new ones. There is also little demand for used tires.

## Price Fixing Trade Hopes May Bring Federal Action

### Ottawa Alarmed by "Stabilization" Platform of Some Retail Bodies — May Use Stronger Combines Act if Competition Ineffective

OTTAWA (Staff)—The Combines Act Commissioner is investigating what looks like a scheme being hatched in a few retail groups to fix prices and markups. Ordinary competition may render punitive action unnecesary, but if not, Ottawa is ready to move against the price "stabilizers."

With war ended and price ceiling machinery about to undergo revision, Ottawa says that in certain sections of the food, drug and electrical appliance fields, there is a budding movement in favor of setting minimum resale prices, and fixed mark-ups.

It's admitted that retailers themselves may oppose these plans of some of their associations, (opinion polls among retailers indicate a very general opposition to control). Manufacturers contacted by The Financial Post indicate that the drive for expansion may bring highly competitive prices and quite possibly lower margins for the retailer particularly in the radio and appliance field.

If these correctives don't stop the drive for "stabilization," the groups attempting to enforce such measures may run up against a new and stronger Combines Act.

Typical of the sort of movement that Ottawa is worrying about is the No. 1 plank in the Postwar Stabilization program of the Food Distributors Division of the Retail Merchants Association of Canada. This pledges to its membership:

> "That everything possible will be done to persuade manufacturers, processors and other suppliers who are in a position to do so, to establish a reasonable minimum price or mark-up at which their products may be sold at retail."

Similar action is being taken by a relatively new organization—the "Board of Commercial Interests" set up by the Canadian Pharmaceutical Association in the drug field.

A meeting of retail druggists representatives held at Bigwin Inn last fall agreed upon a "minimum net discount of 40% for pharmaceutical products." Also agreed to was an "adequate margin of profit relative to turnover" for proprietary and patent medicine firms. The specific percentages agreed to were 33 1/3% for patent medicines and 40% for cosmetics. A plan was suggested for giving a "seal of approval" on all invoices of manufacturers who "conformed." The approval would be given by the B.C.I.

Word has also reached Ottawa of the formation of a Radio and Appliance Division of the Retail Merchants Association. Here again, the goal is allegedly to get manufacturers into agreement on "price stabilization," "established outlets," "trade-in allowances," etc.

Radio manufacturers tell The Post that retail radio trade has suffered in the past from lack of organization, and that dealers have had very real grievances, although it is alleged that some of the dealers' problems originated in too high a margin. High margins led dealers to grant over-generous allowances on trade-ins, it is said. Manufacturers are anxious to provide reasonable stability for their retailers, but they point out realistically that war has brought expansion in manufacturing capacity, that many new retail outlets for radios and appliances are opening up, and that the whole climate in this field is favorable to intense competition, unfavorable to "stabilization."

Admittedly, not all trade thought is tending in this one direction of

(Continued on page 2, col. 3)

## Allow Buyers 25% Write-off On WAC Ships

### Double Depreciation and Other Concessions Given to Boost Sales and Jobs

OTTAWA (Staff)—Within recent days, ships have become eligible for double depreciation under a new ruling, The Financial Post is informed. Depreciation rates have also been upped from 4% to 6%.

Aim of the new rulings has been in part to speed up sale of Government-owned equipment; also, to bring Canadian practice into line with that in the United Kingdom and the United States.

The new 6% write-off rate is now ruled eligible for double depreciation, under conditions laid down in the general order covering accelerated postwar write-offs. Further, a vessel purchased from War Assets is now subject to a further write-off for tax purposes of 13% in the first year.

This means that if all conditions are met, a firm purchasing a vessel from War Assets may charge off as much as 25% of the cost of the vessel in the first year.

## Canada May Follow U.S. In Upping Wage Ceilings

### 5% Leeway Planned for Feb. 1, May Not Satisfy Many Groups — See Precedent in Meat Packers' Agreement

OTTAWA (Staff)—Wage rates in key U. S. industries are fairly certain to be upped soon by at least 17 or 18%; and this is likely to bring pressure for widespread easing of wage controls in Canada.

For nearly three months the cabinet has been dallying with minor changes in the present wage ceiling. It had been intended originally to announce these changes nearly two months ago, effective Jan. 1. At present they are before various provincial, labor and management groups for study and discussion. It is still hoped these may be agreed upon in time to become effective Feb. 1.

Essence of the changes is to return control of minimum wages to the provinces and to permit wage rates to go up or down by 5% or 5c. an hour without any formal application or approval to war labor boards. No strong dissension to these changes is anticipated. At least one important labor group is, however, known to be seeking a larger area of "free bargaining" wherever hours of work are reduced.

Wage increases in the United States are making such headway that the mild revision of Canadian laws may be found inadequate even before it becomes effective.

Canadian meat packers negotiated a wage agreement late last year which gave a 10% over-all increase. This settlement, overshadowed at the time by the motor workers' strike at Windsor, raised pay 4½c. an hour, a 6.6% gain. The industry was placed on a 45- instead of a 48-hour week and the three extra hours of overtime gave an additional $3.26 a week. Added to the hourly increase, this worked out at "take home" pay of $35.90 against an earlier average of $32.64.

It now appears only a question of time until greater demands are made on Canadian employers and on the Government. How long the present or the revised wage ceiling policy will last under these circumstances is the question now worrying many people here.

## See Black Markets Booming If Price Controls Retained

Price increases necessary to get and maintain a full flow of consumer goods must be permitted at once if Canada is to avoid "a series of black and grey markets" and "the beginning of a period of lawlessness," Prof. J. L. McDougall of Queen's University told the Canadian Retail Federation this week.

Efforts "to defend the 1941 price levels," he said, were doomed to failure; and any attempt to retain controls until prices settled back to those levels would mean that Canada would never be rid of them.

"In actual administration," he said, "it would probably require a policy of allowing prices to increase by, say, 5% each month until, one after another, they floated free of the ceiling. This would not be inflation, but a common-sense recognition that March. 1941, is now nearly five years in the past."

Under such a program, he maintained, prices of some goods might not rise at all, and others only a little. A few might rise sharply because of the disruption of sources of supply.

The alternative to relaxation of controls, he declared, was that people would be made desperate by continued shortages of goods. Black markets would take matters out of government hands and usher in a period of lawlessness, he predicted.

"We cannot long stay in a period of promises without performances," he warned "only to find that the only things supplied in abundance are a series of promises that the Government will defend 1941 price levels to the last gap."

Prof. McDougall declared that the Government, by its price policy, was refusing Canadians the right to purchase goods for which they were "more than willing to pay prices based on current costs."

Now that the war was over, he said, the problem was not the total subordination of the individual to the needs of the state, but that of re-establishing a normal life within Canada.

## Morrison Super-Salesman for U. K. Not Mere Pep-talker for CCF Here

OTTAWA (Staff)—When Rt. Hon. Herbert Morrison arrived here two weeks ago, there was a feeling that he had come to put a little pep into the CCF. Now that he's gone, it's agreed that he came to sell Britain's Government to businessmen, not to leftwingers, and that he did an exceedingly capable job.

Outstanding was Mr. Morrison's visit to Toronto. One evening he spent at the exclusive York Club before a group of hand-picked Toronto "tycoons." The chairman was J. P. Bickell. The talk was free and stimulating. His hearers came away with the impression that Morrison had lots of common sense and no ambition to do more than temper the capitalist system to the winds of present-day democratic thought.

The next evening he spent with another hand-picked Toronto group —Canadian Institute of International Affairs. Before a packed dinner meeting at the conservative Toronto Club he again did much to disarm his capitalist critics.

**Talks Facts, Figures**

The third night, before a jam-packed Toronto Board of Trade, he pleaded Britain's and his government's case with brilliance. He made these points:

1. Britain will still need "a great deal of food from Canada" over the next few years. After that, Canada's trade will depend on "full employment"; freer international trade and expanded nutrition and consumption levels in all countries.

2. Government control and purchase of "certain primary foodstuffs" must continue because the Government has determined: (a) to stabilize living costs; (b) to provide markets "with guaranteed prices for our home production"; (c) to "eliminate fluctuations in international prices so that producers can safely plan future output"; (d) to reduce unnecessary distribution costs.

3. There is no need for "excessive excitement" about Britain's program for nationalizing industry. What counts is "public interest" and it is up to "nationalizers" and to "anti-nationalizers" to "prove their case."

**Quotes Precedents**

4. Public ownership in Britain is not "a monopoly of the Labor Party." As in Canada, where "conservative" governments established Ontario Hydro, Bank of Canada and the Canadian National Railways, so in Britain, Conservative administrations nationalized telephones—the London water supply, the broadcasting system, etc.

5. There is a prima facie case for nationalization of coal, transport, electricity, gas, civil aviation, and possibly iron and steel. These industries are either natural monopolies, "common service" industries, or "key" industries.

6. Britain will not manage nationalized industries by state departments of civil servants. Public corporations will be set up in charge of boards "composed of men appointed because they are qualified to do a technical job with efficiency, imagination and enterprise in the public interest."

7. "The great bulk" of British industry "will remain private enterprise industry and we shall not quarrel with it as long as it is private enterprise and not private unenterprise."

**"Common-sense" Policies**

Earlier, at Montreal, a group of the most influential citizens in that metropolis heard Mr. Morrison plead that it was "hard-headed and sound common sense" for Britain to "include in her economic planning for recovery the public ownership of certain basic industries." The argument put forward was that some of these industries—coal, iron and steel and transport—were "in pretty bad shape." As a drag on other industries they "hamper the efficiency and enterprise of trades to which we look for rapid, bold and private de-

(Continued on page 2, col. 5)

## Inside News

### U.K. Back May Break

under her latest monetary and trade commitments, the London Economist warns, pointing out that if Britain is to balance exports and imports, she must expand her export trade to 175% of its pre-war volume before her present credits are exhausted. (p. 12)

### £25,000 Is a Lot

of money for a Socialist Cabinet minister to draw in a year. So many members of the British House of Commons feel, as they prepare to attack the fees drawn by Sir Hartley Shawcross, Attorney-General in the Attlee government. It may strengthen their demands for an increase from £600 to £1,000 a year, in the pay of private members. "London Calling." (p. 3)

### Strike Clouds Darken

the United States horizon as Congress resumes its sessions this week. With the General Motors-UAW dispute still deadlocked, and long-distance telephone service almost paralyzed, the situation is now aggravated by a threatened strike of 800,000 steel workers. Wage and price ceilings may be raised, as a result. (p. 24)

### Alberta May Try

to make Social Credit a reality, instead of a theory—as it has been for more than 10 years in that province—at the legislature session opening Feb. 14. Government supporters are reported growing impatient, and Premier Manning has voiced a veiled warning to "the financiers" that something may be brewing. (p. 12)

### Biggest Airfield

in North America, the $7 millions field at Namao, Alberta, 10 miles north of Edmonton, passed this week from U. S. to RCAF control. Transfer of all northwest bases is expected to be completed by April 1, with Edmonton, Whitehorse and Fort Nelson likely to be the last turned over from USAAF control (p. 12)

### Kitchener Needn't Worry

about reconversion problems, for by reason of the stable nature of her industries, she has practically no such problem. Strategically situated within a 100-mile radius of one-tenth the total population of Canada, and with a population growth of 65% in a quarter of a century, Kitchener looks forward to a future even more vital to Canada, than its past. "Growth Cities of Canada." (p. 14)

### New Air Lines

given the green light by the Air Transport Board, will start in the Maritime Provinces next month. First new route will link Halifax, Nova Scotia, and Charlottetown, in about 1½ hours' flying time. Another route links Charlottetown with the Magdalen Islands. (p. 15)

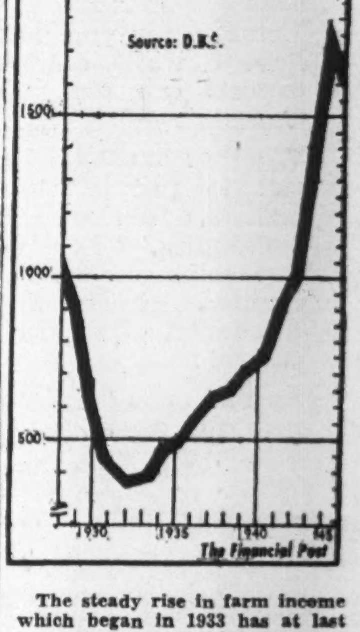
### Too Radical

even for Saskatchewan's CCF Government, Watson Thomson has resigned as director of that province's "adult education" program. (p. 12)

### Volume is the Answer

to the problem of producing farm tractors in Canada, in the belief of Cockshutt Plow Co. Launching the first Canadian tractor program since 1922, Cockshutt plan to market their product not only through their past established dealers, but also through two of the largest co-operative concerns, one in Canada, the other in the United States. (p.13)

## Pace of Business



**The steady rise in farm income which began in 1933 has at last been broken by a 1945 drop of 8% below the 1944 record high of $1,799.1 millions. Cash income from the sale of farm products is estimated at $1,654.2 millions for 1945, still 129% above the 1939 total. The decrease occurred mainly in the Prairie Provinces with Saskatchewan down 22.2%, Alberta 14.3% and Manitoba 12.3% from 1944, although these were offset to a minor extent by small increases in Ontario, British Columbia, Quebec and New Brunswick.**

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# Offer Canada 3.5% Share Of German Reparations

OTTAWA (Staff)—The Canadian cabinet will soon decide whether to agree to the international reparations agreement, announced this week.

Canada's share of Class A reparations such as patents, custodian investments, general items, etc., is 3.5%. Canada also is entitled to 3.5% of whatever shipping is available. On capital and industrial equipment Canada voluntarily reduced her allotment of 3.5% to 1.5% because she suffered no material damage during the war.

At the moment the only Canadian claim on industrial equipment made by this country is for two plants useful for manufacture of rocket fuel. The Crown company (Canadian Arsenals Ltd.), charged with maintaining and establishing a postwar research in the field of military weapons and equipment, is interested in these two plants. One makes hydrogen peroxide; the other, hydrozine hydrate.

As yet, allied nations have made no attempt to determine the amount or dollar value of reparations. All that has been done is to decide the proportionate shares to be allotted to each claimant country.

After 1918 only $26 millions came to Canada direct by way of German reparations. As well, the custodian of enemy property acquired assets worth $64 millions. Of the latter figure, $40 millions went to meet individual claims and the balance (about $14 millions) was left for the federal treasury.

# Price-fixing Plans May Bring Action by Ottawa

(Continued from page 1)

postwar price stabilization and maintenance.

For instance, it is learned that Standard Brands—one of the largest individual manufacturers in the food field, has announced, as at Jan. 1, the dropping of all minimum or resale prices on its various lines.

Food manufacturers and retailers themselves are not in complete agreement on the benefits of price stabilization. Some maintain that as long as an individual manufacturer seeks to maintain minimum prices on his own products it is neither a combination nor an act in restraint of trade because other manufacturers in the same field are free to sell their products below that price if they wish. They claim that in the food field chain stores buying in carload lots are frequently able to sell food items not only at a lower price than the independents can afford to ask, but at a lower retail price than the independent retailer's wholesale cost.

Opponents of price fixing, even at actual cost, maintain that the consumer can easily be made the victim of any attempt to maintain minimum prices. If one manufacturer is successful in having his prices maintained, it is argued, others in the same line will follow in his footsteps because retailers will buy the price-fixed line in preference to his.

So far as is known, price maintenance in the grocery field is practiced by only a handful of manufacturers and in no case is any written contract entered into as a guarantee that the price will be maintained.

It can be stated very definitely that government policy is very much against price fixing by trade associations. Such operations, it is pointed out "strike at the very heart of the competitive system."

Just what action might be taken is not yet clear. But already, Fred A. McGregor has resigned as Chief of the Enforcement Division of WPTB. At Jan. 1, he resumed his full time job as Commissioner, Combines Investigation Act. He now reports direct to the Minister of Justice, Rt. Hon. L. St. Laurent, instead of to the Minister of Labor. Presumably, from now on, he is going to devote all his energies to keeping a watchful eye on all forms of business "combination" both domestic and international.

In his recent report on cartels and trade combinations, Mr. McGregor struck out very emphatically against price stabilization schemes. If he is granted the powers he sought in that report (to launch investigations without awaiting for public complaint) Mr. McGregor may give "price stabilizers" a tough battle.

Another prong of the Ottawa attack may come in support of full employment. In the White Paper on Employment, Ottawa emphasized the need for carrying efficiency and savings through to the consumer—in the form of lower, not necessarily stabilized, prices.

## ANNOUNCING

### Important Appointments in Canadian Industry, Finance, Business and Government.

**Canadian Toledo Scale Co.**—Lloyd J. Colenback, vice-president, general manager and director.

**Canadian National Railways**—F. C. Knight, valuation engineer, Toronto.

**Toronto Life Underwriters' Association**—M. W. Sparling, president.

**Alfred Rogers, Ltd.**—Lt.-Col. J. R. O. Counsell, sales manager.

**Chartered Trust & Executor Co.**—H. E. Langford, general manager.

**Bank of Toronto**—W. A. Rutherford, superintendent of investments.

**Ontario Government** — Russell T. Kelley, Minister of Health; W. A. Goodfellow, Minister of Welfare; Col. G. A. Welsh, Minister Without Portfolio (to be Minister of Tourists and Recreation).

**Saskatchewan Government**—I. C. Nollett, Minister of Agriculture.

**Long Lac Pulp & Paper Co.**—H. S. Craig, manager; B. J. Donovan, assistant manager.

**J. J. Gibbons Ltd.**—R. B. Pattinson, vice-president and general manager.

**Cassels & Mingay**—Major Graham Cassels, Lt.-Col J. D. Mingay, partners.

**Canadian John Wood Manufacturing Co., Service Station Equipment Co., Fess Oil Burners of Canada Ltd. and Hostess Corp. Ltd.** — C. F. T. Hooper, vice-president and plant manager.

**Canadian John Wood Manufacturing Co. and Service Station Equipment Co.**—C. M. Konvalinka, vice-president and manager.

**Fess Oil Burners of Canada Ltd., and Hostess Corp., Ltd.**—A. S. M. Morgan, vice-president and manager.

**Merchant Tailors and Designers Association**—Charles J. Lloyd, president; F. C. McConkey, W. Given, vice-presidents.

**Newsprint Association of Canada**—R. M. Fowler, president; Charles Vining, chairman of executive committee.

**Canadian Westinghouse Ltd.**—Albert P. Craig, Jr., assistant to president.

**Canadian Sugar Factories, Ltd.**—T. G. Wood, general manager; F. R. Taylor, assistant general manager.

**Canadian Pacific Railway**—J. A. Lajoie, general customs agent.

**Lever Bros. Ltd.**—R. G. Magnan, general sales manager in France.

**Canadian Pacific Express Co.** — G. E. Begley, agent, Toronto.

**Imperial Oil Co.**—Dr. T. A. Link, chief geologist.

**Maclean-Hunter Publishing Co. Ltd.**—Thomas H. Howse, vice-president and treasurer; P. G. J. Kerr, secretary.

**National Life Assurance Co.** — M. W. McCutcheon, a director; R. M. Huestis, assistant general manager; John S. Harris, superintendent of agencies.

**National Breweries Ltd.**—F. L. Ross, assistant secretary; F. A. Price, transport manager.

**Shawinigan Chemicals Ltd.**—R. S. Jane, vice-president in charge of research; C. M. Carmichael, vice-president.

**Shoe Manufacturers' Association of Canada**—J. A. Boivin, president.

**University of Toronto**—Col. Milton H. Brown, professor in Faculty of Medicine and School of Hygiene; Dr. G. W. Spinks, professor, Faculty of Dentistry.

**Dominion Bridge Co. (Eastern Division)**—H. W. McMillan, manufacturing consultant in charge of industrial engineering department. Gordon Cape, chief assistant in industrial engineering department and research and methods engineer. R. C. Pearse, works manager. Peter Millar, general superintendent. C. S. Kane, sales consultant. H. M. Watson, sales manager. George H. Midgley, assistant sales manager. W. D. Jewett, export manager. J. S. Walsh, sales development manager.

**Dominion Government**—Clifford S. Bissett, trade commissioner to Venezuela.

**University of Toronto** — Arnold Gaine, comptroller.

**Dominion Life Assurance Co.** — G. T. Hutcheson, Manitoba manager; W. J. Monaghan, Edmonton district manager.

**St. James-Winnipeg Airport Commission**—E. S. Kent, chairman.

**Mutual Life of Canada**—R. A. McLeod, resident loan inspector, Calgary.

**White Motor Co.** — Nelson W. Quast, manager.

**Imperial Oil Ltd.**—A. C. Harrop, manager, Montreal East Refinery; Charles Scrymgeour, Montreal East refinery superintendent.

**International Petroleum Co.**—R. L. Dunsmore, general manager manufacturing department.

**P. G. J. KERR**

**has been appointed secretary of The Maclean-Hunter Publishing Co. Ltd., after 23 years' service, starting as a payroll clerk.**

## *Expect New Issue For Canadian Car*

A new issue of Canadian Car & Foundry stock to provide funds for calling the present preferred is now under discussion with Wood Gundy & Co., The Financial Post understands. President V. M. Drury, at the recent annual meeting, revealed that directors were considering calling the outstanding 269,992 shares of $2.10 preferred, par $25. It is redeemable on 30 days' notice at $35 a share plus accrued dividends.

Unconfirmed reports indicate an offering of something like 400,000 shares $1 noncumulative Class A preferred to be offered to yield around 4.35%. The balance required of about $1 million would probably be taken from working capital.

Indicated saving in preferred charges would be around $166,000—equivalent to about 45c. a share on the 365,800 outstanding common shares. Notices calling a special general meeting of shareholders to provide for issuance of new stock are expected to go out soon.

# Morrison Seen Superseller

(Continued from page 1)

velopment." He argued that it was both "good political principle and good business practice" to put these industries back in a place where they could become solvent and give proper service.

Mr. Morrison's other main point at Montreal (as it was to the Canadian Club at Ottawa) was that Britain "wants to go on buying from Canada." Limitations to such purchases were stated as being, in the first instance, shortage of exchange and in the long run, Britain's ability to increase "enormously" her exports to all markets.

Both at Ottawa and Montreal Mr. Morrison took pains to explain the "inevitability" of British policy in putting a licensing embargo on Canadian processed and manufactured goods. "It is our earnest intention," he stated, "to try to reduce to a minimum all possible causes of misunderstanding and friction." The present policy of restricting imports "is related to our difficult financial position, and has no ulterior motive as a protective device."

Coming after the obviously disappointing impression left at Ottawa in November by Prime Minister Attlee, there can be no question that Mr. Morrison did a superb "selling" job for his government—and incidentally for himself.

A challenge has been accepted

by the churches of Toronto to combat the prevalent wave of crime and delinquency, and a major weapon in the campaign is the use of The Evening Telegram, in whose Saturday edition each week appear an average of two pages of Church Service announcements. Toronto churches have always appreciated the undisputed home-appeal of this newspaper and have used it to a greater extent than any other Toronto paper. In all matters pertaining to Toronto's homes The Evening Telegram has been the accepted approach for three generations.

THE EVENING TELEGRAM
TORONTO CANADA
Montreal: E. R. Chown, Dominion Sq. Bldg.

# Canada-China Trade Is Aim

(Continued from page 1)

war prospects, is that in the main Canada would:

**Sell**—Machinery and equipment, such as used in electrical, textile, newsprint, food, communications, transport and printing industries and agriculture (including automobiles, trucks, bicycles), chemicals and pharmaceuticals, cereals, flour, forest and animal products, textiles and rubber goods, including tires;

**Buy**—Minerals such as antimony, tungsten and tin, plants, herbs and substances for pharmaceuticals, tung oil, peanuts, other nuts, soy beans and their products, rice when available, leather, silk, decorative and novelty goods.

Trade with China in the years just prior to the war averaged less than 1% of Canada's total foreign trade. In 1939, for instance, Canada exported $3.5 millions of goods to China and imported $2.6 millions. Principal imports and exports for 1937-8-9 are listed as follows:

| | 1937<br>$000 | 1938<br>$000 | 1939<br>$000 |
|---|---|---|---|
| **Exports** | | | |
| Food products | 241 | 315 | 452 |
| Agricultural products other than food | 165 | 40 | 46 |
| Animal products | 294 | 152 | 172 |
| Textiles | 44 | 12 | 21 |
| Wood products and paper | 1,900 | 1,014 | 816 |
| Iron and steel | 77 | 237 | 343 |
| Nonferrous metals | 1,214 | 1,002 | 704 |
| Miscellaneous | 162 | 19 | 15 |
| **Imports** | | | |
| Food products | 1,246 | 1,240 | 1,528 |
| Agricultural products other than food | 450 | 638 | 343 |
| Animal products | 114 | 153 | 293 |
| Textiles | 551 | 627 | 1,103 |
| Wood products | 20 | 6 | 7 |
| Nonmetallic minerals | 4 | 9 | 97 |
| Chemicals | 20 | 15 | 30 |
| Miscellaneous | 47 | 75 | 88 |

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## *Stabilization Body Widened*

OTTAWA (Staff) — Three new directors have been added to the board of Commodity Prices Stabilization Corp.

Aim of these appointments is to strengthen the board in light of Hector McKinnon's appointment as chairman of the Trade and Tariff Committee. Mr. McKinnon will continue as president of CPSC.

New additions are:

Max W. Mackenzie, deputy Minister of Trade and Commerce.

J. E. Van Buskirk, chief examiner and vice-president.

T. L. Daniels, chief investigator and vice-president.

Mr. Mackenzie replaces S. R. Noble, Montreal, who has resigned. The other two appointments are additions of senior board personnel. Earlier, David Sim rejoined the board when O. B. Thornton resigned.

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**LONDON CALLING—BY ADELPHI**

# Storm Threatens in British House On Laborite Minister's £25,000 Fee

LONDON (By cable) — There is likely to be a minor row, when the House resumes next week, over the earnings of Sir Hartley Shawcross as attorney-general. This young lawyer entered Parliament for the first time in last summer's election, and was immediately appointed attorney-general, and automatically knighted. The basic salary of his office is £4,000, but he draws fees in addition. Such fees from the Nuremberg trials alone are so high that it is estimated his first year's income will exceed £25,000. While much of this will go back to the treasury in taxation, the figure will seem startlingly large to back benchers struggling along on £600, or to farm workers who are asking a weekly wage of £5.

It is an anomaly of British public life, that while other men are supposed to serve the state for next to nothing, it is assumed that lawyers will do so only for pounds of flesh. Thus the attorney-general and the solicitor-general nominally average £15,000 a year, while the Lord Chancellor gets £10,000, with a life pension of £5,000. The Tories will certainly find means of embarrassing the Government over its "legal profiteers."

Members in general are waiting for the report of a special committee on increased remuneration for M.P.'s. A well-informed rumor says it will be raised from £600 to £1,000 a year, with £500 untaxed. This would be a shrewd move on the part of the Socialist Government, as it would make membership in Parliament financially worth while to men who have, almost without exception, earned very little previously.

Discipline in the Socialist Party is far more rigid than in any other, and if any sheep strays from the shepherd, he is likely to find himself opposed by a rival sheep when the shepherd is next gathering a flock. In other words, the Labor Party will openly run a candidate against any rebel, even if it means election of a Tory. Every Socialist member is forced to sign a form agreeing to accept the decisions of the party executive on major political issues. This means the executive, which includes trade union and cooperative leaders not in Parliament at all, demands complete authority over elected representatives. By comparison, the Tories are just a happy-go-lucky family.

* * *

### Cripps Aide Quits Not Major Crisis

There has been considerable excitement over the resignation of Ellis Smith, ministerial secretary to Sir Stafford Cripps on the Board of Trade. The Tories would like to see something significant and symptomatic in this, but I think it is a mistake to exaggerate either its causes or its effects. Ellis Smith is a Lancashire lad who rose from a factory bench to become a trade union organizer and eventually a Member of Parliament. Like many men who have risen under similar circumstances, he combines modesty with self-satisfaction; in fact, he developed self-righteousness to such a degree that he was sometimes referred to as "the conscience of the Socialist Party." He proved a hopeless flop as a cabinet minister, but he attributes his resignation to a personal difference with Cripps.

Yesterday Smith made a rambling, emotional speech to his constituents, in which he said that he understood Socialist policy was to nationalize all industry, and that he was not satisfied with the Government's partial schemes. If he thinks he will become a martyr, with a big political future, he is mistaken. The Government is fortunate that its first ministerial crisis should have been caused by one who had been a definite front-bench failure.

You in Canada have now experienced at first hand the charm, suavity and Cockney perkiness of Herbert Morrison. It would be a serious miscalculation to underestimate Morrison's ability. He is a first-rate parliamentarian, a successful administrator, and a brilliant tactician. Somewhere in his nature is a quality of ruthlessness which demonstrated itself clearly when, as Home Secretary during the war, he imprisoned hundreds of people without trial. It is no secret that Winston Churchill was most unhappy about this break with hard-won traditions of human liberty, but Morrison was adamant, and threatened to resign unless he could have his way. His 20-year feud with Ernest Bevin is one of the mysteries of public life. I doubt if either Morrison or Bevin could remember the origin, for its roots are deep. M.P.'s will be interested to see what impression Canada has made on Morrison.

* * *

### Boom Anthony Eden For U.N. Post

Strong pressure is being put on Anthony Eden to become director-general of the United Nations Organization. He has had "a bad press" since Churchill left him in command of the Tories during his visit to North America. Yet I think it would be a deathblow to the Tories if Eden left them. They have no one else who could possibly follow Churchill and be sure of wide national backing. I remember, two years ago, a junior Tory minister saying: "Churchill is a giant beech tree, under whose branches nothing grows." There may be more truth in that, than there seemed at the time.

* * *

The BBC charter will soon come up for renewal, and there is no question that, despite many harsh things which will be said, the charter will be renewed for another five years. The instincts of the British public are strongly against sponsored programs. They do not want Mozart brought to them by patent medicines, or opera paid for by underwear manufacturers.

As a matter of fact, the British have almost forgotten what any kind of advertising means. Newspapers and magazines do no more than carry short announcements from advertisers, regretting their inability to supply goods to regular customers. When I pick up a magazine like Maclean's or the Saturday Evening Post, I read the advertisements as though, like Rip Van Winkle, I had been asleep for 20 years. However, we are spared the frank exposure of the physical ailments of the American girl, whose social appeal would appear to depend entirely on the aid of science.

We are now able to pick up European stations again, but they are only shadows of what they were before the war.

* * *

Gordon Graydon, Canadian M.P., who has just returned from Europe, tells me that imagination cannot conceive the perplexity and extent of the human problem of that doomed continent.

Legal circles here are perturbed over the different treatment extended to William Joyce and Baillie-Stewart. Joyce was an American, who wrongfully obtained a British passport, and was hanged for treason against Britain. Baillie-Stewart was a British-born officer, who applied for German citizenship in August, 1939, and then worked for German victory, yet he is only to be deported to Germany when generally convenient. There is no sympathy for Joyce, but there is an uncomfortable feeling that he was the less guilty of the two.

I am glad to see that Col. L. C. M. S. Amery is to make a public speech next week on the subject of threats to the imperial conference. Despite the tragedy of his son, Amery does not intend to give up the cause to which he has devoted his life.

So far, January has mistaken itself for June, and the fuel ministry is very grateful.

**THOMAS H. HOWSE**

**has been appointed vice-president and treasurer of Maclean-Hunter Publishing Co. Ltd.**

# War Supply Contracts Now $10 Millions Month

## Canada to Provide Food, Clothing For Own Troops Overseas, Also for Holland, Belgium — Rebuild Military Equipment

OTTAWA (Staff)—It is estimated that $30 millions of new contracts for war supplies will be placed in the first quarter of 1946. At the rate of $10 millions a month, monthly distribution of these orders will be something like this:

$4 millions for clothing, stores, equipment, etc., ordered by The Netherlands and Belgium.

$2 millions for commissary items —food, supplies, etc., for the Canadian armed forces.

$2 millions for redesign and rebuilding of machinery, tools, guns, M.T. rolling stock, etc., for the Canadian Army and services.

$2 millions for clothing, textiles. This includes outfitting of the Muskox expedition as well as new and replacement supplies for troops.

In the last quarter of 1945, military supplies to an amount of $45 millions were ordered. In November, for example, new orders included $2 millions for food; $1 million for clothing; $2 millions for gas and fuel. $1 million went for new electrical equipment.

Output of "military" supplies in the last quarter of 1946 included a large number of items on uncompleted war contracts. Thus in the last quarter of 1945, Canadian yards completed five 10,000-ton cargo ships and one ship of 4,700 tons.

Included in this business are important orders for reconversion equipment placed by foreign governments with the Department of Munitions and Supply during war years. Records show that 67 locomotives and 404 railway cars were produced for export in the last quarter of 1945. Railway equipment for Russia valued at $2 millions, is expected to be produced in 1946.

Last quarter war business in 1945, also included items nearing completion for the armed services such as one Tribal destroyer, under construction for some years at Halifax. Five service aircraft, three transport ferries, one Algerine and five minesweepers were also delivered as well as a considerable amount of service ammunition, etc.

Complete statement of fourth quarter deliveries follows:

**Production of Equipment and Supplies, Department of Munitions and Supply Fourth Quarter, 1945**

| | |
|---|---|
| 10,000-ton ships | 5 |
| 4.700-ton ships | 1 |
| Tugs | 53 |
| Destroyers | 1 |
| Other vessels | 9 |
| Service aircraft | 5 |
| Locomotives for export | 67 |
| R.R. cars for export | 404 |
| Communication Equipment | $10,400,000 |
| Instruments | $1,000,000 |
| Rifles and small arms | 20,000 |
| Heavy Ammunition: | |
| Empty shells | 342,000 |
| Filled shells | 423,000 |
| Cartridge cases (filled) | 274,000 |
| Bombs and projectiles (empty) | 149,000 |
| Bombs and projectiles (filled) | 663,000 |
| Fuses, etc. (empty) | 321,000 |

***Labor Roundup***

# Pending Strikes Involve 2 Million U.S. Workers

With termination of the strike at Browns' Bread Co. this week, Canada's labor picture was the most tranquil in fully four months, in marked contrast to the turbulence in U.S. There 200,000 electrical workers went on strike Tuesday, adding to the 175,000 General Motors employees who have been on strike for almost two months. Packing house industry and union officials were meeting with representatives of three federal agencies in last-minute efforts to avert a strike of 335,000 meat packers called for Wednesday. A strike of telephone workers which threatened to involve 250,000 was suddenly stopped over the week end, but locals were ordered to file 30-day strike notices with their employers. CIO steelworkers postponed their threatened strike of 800,000 members for one week, giving rise to hopes that the parties might arrive at a formula for settling wage disputes.

None of the postponements represented any mutual settling of differences, but labor observers were hopeful that the extra time gained would enable agreements to be worked out without work stoppage. Even the General Motors strike situation looked a bit easier as union officials offered to end their walkout for a 19½c. hourly pay boost, recommended by President Truman's fact-finding committee. General Motors Corp., executives, however, turned down the committee's recommendation a few days earlier, so it would be erroneous to suggest that any common ground has yet been established.

If the four pending strikes materialize while G-M workers remain out, it will mean something like 2 million idle workers in the U.S. This would make that country's October record look almost pacific by comparison. In October there were 455 strikes involving 560,000 workers and the total number of man-days lost was 7.8 millions. Four days of a strike on the scale now threatened would beat that figure alone.

* * *

Canada is watching the U.S. labor scene with a good deal more than neighborly curiosity. Canadian workers have not in the past allowed themselves to be influenced too greatly by events across the line, but if 30% wage increases are distributed over such a broad section of the labor front as a result of this combined U.S. union effort. it is almost inevitable that a similar move would follow in this country. Up to now wages have been a very minor item in most Canadian labor disputes. But they would not remain so for long under pressure like that.

The most disturbing phase of the present labor situation lies in the fact that wage increases are being demanded in the U.S. without the slightest regard for wage-price conditions. Union officials don't even bother any longer going through the motions of claiming economic hardship, but go quite openly after a larger slice of the pie. The current issue of the Trades and Labor Congress Journal suggests that that organization at least is preparing to follow in the footsteps of its American colleagues.

"After all," the magazine's labor reports columnist writes, "how can industry make a case for lower take home pay when the records show that industrial profits are two, three, four and even five times higher than they were just a few years ago? . . . Industry's only reason for its highhanded behavior is that it wants to keep its profit margin at its present bloated level."

No effort is made anywhere in the column to support the glib assertion concerning profits, nor does the writer make any allowance for excess profits taxes anywhere in his argument. We believe management would be as interested as the unions in learning of any company able to double or treble its profits during the war years. To say nothing of the government.

* * *

R. J. Deachman has reported an interesting conclusion from a study he has made of wages and prices over the 20-year period from 1921 to 1940. Checking the record, he has found that when labor has received 20% of each dollar spent in production, production has been high and labor's total earnings high. When more than 20% of the dollar was needed for labor, production fell and so did labor's earnings. Here are his figures for a peak year and a depression year.

| Distribution of the Dollar | 1929 | 1933 |
|---|---|---|
| To Labor | 20.0% | 22.3% |
| Raw Materials | 52.3% | 49.5% |
| All other items | 27.7% | 28.2% |

It is simple arithmetic, says Deachman, to see that if the percentage going to labor is increased, the percentage available for other production costs is lessened, which in turn means lower production. The relationship of one to the other is something to think about.

* * *

According to officers of the Canadian Fishermen's Union, the longest strike on record is still in effect in British Columbia. It has lasted now for 15 years. Apparently in 1931 a group of Indians at Bella Coola, B.C. had a dispute with one of the fishing companies over the price of spring salmon and promptly went on strike. And they haven't caught a spring salmon since.

# N. S. To Double Paved Highways

**From Our Own Correspondent**

HALIFAX — Nova Scotia plans virtually to double her present 1,000 miles of paved highways, in a five-year, $50 millions construction program, provided the Dominion pays half the cost. Some $10 millions is earmarked for bridges and causeways, with the balance providing for 900 miles of paving, and approximately 2,500 miles of grading and gravelling.

Eventual objective is the paving of all trunk roads, important secondary roads, and the improvement by grading and gravelling of other county roads.

**VERMILATA OILS** has received payment covering Jan. 6 installment on 38,461 shares at 13 cents a share. Issued capital—3,838,461 shares.

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(Incorporated 1928)
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The Wawanesa Mutual Insurance Company
ORGANIZED IN 1896

Admitted Assets... $5,024,159.53
Surplus .......... 2,678,420.06
Dom. Govt. Deposit 2,450,734.89

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Head Office WAWANESA Man.
Eastern Office TORONTO Ont.
Branches
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AGENCIES WANTED

Are your products being adequately represented in the Maritime Provinces? If not we suggest you investigate our record of performance in this area. Our sales force cover the three provinces and are particularly experienced in home improvement lines.

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SALESMAN
DESIRES POSITION

YOUNG man of experience, discharged, with sales ability, knowledge of all Canadian cities, could eventually organize sales staff across Canada; bilingual, good education, business experience, highest references. Box 50, The Financial Post, Toronto, Ont.

YOUNG EX-SERVICE MAN

RECENTLY discharged from R.C.A.F. (four years overseas) desires position with active importing firm or manufacturing enterprise with a view to entering sales and sales promotion work. Financial experience. Box 46, The Financial Post, Toronto.

EXECUTIVE AVAILABLE

15 years successful record internationally known company, sales, production, finance, engineering background, broad knowledge Canadian marketing, product development and quality control, modern accounting procedure, outstanding references. Box 54, The Financial Post, Toronto.

MANUFACTURING PLANT

IN THE City of London on a Main highway a dandy 4-story manufacturing plant for possession in about 6 months. Dimensions of plant 66' x 216' on a lot, about 107' x 265' making a floor space in the neighborhood of 53,000 sq. ft. Elevator, sprinkler system, suitable office space. Sales price $150,000.00. For further information consult Daniel Real Estate, 232 Edward St., London, Ont. Met 2792.

Notice to Stock Brokers and Bond Dealers

CERTIFIED General Accountant, having held, as Field Officer, an important financial administrative position in the Canadian Army for the past six years, wishes to join a stock brokerage and bond dealing establishment, preferably in Montreal, P.Q. Age 28; available within a short period of time; excellent civilian and Army references and perfectly bilingual. All requests from employers will be treated as strictly confidential and acknowledged, stating additional particulars. Anticipated salary to be in accordance with services rendered. Box 44, The Financial Post, Toronto.

# No Easing in Rug Famine In View Before Summer

Chances of picking up that long-awaited, postwar rug are not any better for the first half of 1946, manufacturers say. After midsummer a gradual step-up in factory production should allow dealers a modest but growing inventory. But it will not be until early 1947, rug makers say, before a buyer can hope to drop in casually and make a purchase.

Main hold-up—shortage of finished yarn which in turn arises from shortage of skilled workers and to a lesser extent of spinning machinery. With not nearly enough yarn to go around clothing comes near the top of the list, rugs and carpets nearer the bottom.

Reconversion, no light undertaking when approximately 60%-70% of plant capacity has been tied up for five years to special war production, is also partly responsible for the present dearth of rugs and carpets. Mills had to be threaded up, machinery changed and adjusted, and stocks of wool and yarn dyed. In getting up to approximately 50% of normal pre-war capacity during 1945, manufacturers feel they have some just cause for pride. Barring unforeseen difficulties, a 75%-of-capacity rate will likely be reached before the end of 1946.

The future looks very bright for Canadian rug-makers with phenomenal markets and a minimum of foreign competition for one year at least. The backlog of consumer demand is so great that manufacturers estimate it will take two years maximum production to reduce the market to normal proportions and even then it won't be normal in the light of pre-war years if incomes remain anywhere near their present levels.

**$6 Millions Market**

Average annual gross value of Canadian rug and carpet production for the four immediate pre-war years was $4.4 millions. Now $6 millions — 36% increase — will more closely approximate Canada's future annual output value, manufacturers say. Substantial orders for additional machinery, particularly for increasing spinning capacity, have been placed for some time by most manufacturers.

Canadians cannot count on any substantial imports of rugs from overseas for another year at least and more likely two, importers say. British mills were tied up by war production even more completely than those in Canada and reconversion means almost complete re-tooling, expansion, even re-building of plants in many instances. When Britain does enter the rug market again, however, it will be with products designed to stand up well against any competition.

Production of Persian rugs never fell off seriously during war years but prices have advanced approximately 300% in many lines. The present unsettled and disadvantageous exchange rate between Iran and United States makes U. S. importers hesitant about entering on any long-term commitments.

Prices of British Indian rugs have advanced about 100% at source and U. S. importers have reportedly been the only ones currently bidding heavily for these products. Several token shipments, however, have recently come direct to this country but substantial price adjustments would have to take place before they would be brought in in large quantities.

The Chinese rug industry has fared worst of all, according to observers, and it might take several years before shipments can take place again on anything like a pre-war scale. The deterioration in the Chinese currency may also considerably cloud the import picture.

**JOHN S. HARRIS**

recently discharged from the RCAF with the rank of Wing Commander, has been appointed superintendent of agencies for the National Life Assurance Co. of Canada.

# Outlines Shoot Hugh-Citralam

### Drilling to Determine if 225-ft. Stretch Can Be Lengthened

An ore shoot with a length of 225 ft. striking a little east of north is believed to have been worked out by Hugh Malartic Mines and Citralam Malartic Gold Mines following completion of Hugh Malartic's hole No. 52, The Financial Post is informed.

No. 52 hole returned $8.46 over 10 ft. or $6.16 over 15 ft. and additional sections running $3.93 over 5 ft. and $1.92 over 5 ft. The hole is viewed as particularly significant because it lies between holes 24 and 26 which previously gave fair values. No. 24 which is to the east on the Citralam boundary showed 7.2 ft. assaying $15.30. Hole No. 26 gave $6.77 over 14.5 ft. The zone is reported open on strike in both directions. No. 30 hole, which was put down on top of No. 26, gave $1.50 over 30 ft.

Hole No. 53, 75 ft. northeast of No. 52 is stated to show the zone with a narrower section for which assays are yet available.

No. 54 hole is being drilled a little north of No. 24 on the Citralam side of the boundary.

As revealed by a magnetometer survey, there is a drag-folded condition on the Hugh and Citralam properties which has made correlation of results difficult. It is hoped that a better interpretation of possibilities has now been secured and that a number of north-south striking zones may be worked out.

## *Wave of Buyers Flows To East*

From Our Own Correspondent

EDMONTON—Record numbers of buyers and convention delegates are rushing east over CNR lines, A. R. MacDougall, passenger agent, here, reports. The rush includes representatives of small shops as well as larger retail and wholesale firms.

Due to shortages of supplies, some eastern firms are not sending salesmen west this year to sell their "lines." Western representatives are, therefore, heading east.

# Wood Manages Sugar Plants

From Our Own Correspondent

LETHBRIDGE—Changes in the organization setup of Canadian Sugar Factories, Ltd., are announced by P. T. Rogers, Vancouver, president. T. George Wood, Raymond, district manager, has been made general manager and F. R. Taylor, agricultural superintendent, has been made assistant general manager.

—Photo by Norma Featherstone Cowley.

**MR. WOOD**

Both are veteran beet sugar men who started with the Utah - Idaho Sugar Co. of Salt Lake City — Mr. Wood in 1904 and Mr. Taylor in 1910. In 1925, when the Utah-Idaho built the mill at Raymond they came to Alberta and took executive positions.

Mr. Wood forecast that Alberta beet growers in 1946 will probably get $13 a ton for their sugar beets including the 60½ cents a hundred-weight anticipated from the Government sugar stabilization fund. It will be the policy of the company, he said, to produce all the sugar the prairie market can absorb. The company will also build additional $100,000 bulk storage bins at the Raymond plant.

*We offer as principals the New Issue of:*

Province of Quebec

3% Sinking Fund Debentures

Dated February 1st, 1946—Due February 1st, 1962

Callable February 1st, 1960 at 100

Price: 100.75 and interest, to yield over 2.93%

The per capita net funded debt of the Province of Quebec is smaller than that of any other province except Prince Edward Island.

A circular giving particulars of this issue and the financial position of the Province will gladly be furnished upon request.

*36 King Street West*
*Toronto 1*
*Telephone: ELgin 4321*

Wood, Gundy & Company
Limited

## BANK OF CANADA

| | Jan. 9 1946 | Jan. 2 1946 |
|---|---|---|
| **Liabilities** | | |
| Capital paid up | $5,000,000 | $5,000,000 |
| Notes in circ. | 1,115,578,750 | 1,127,912,022 |
| Rest fund | 10,050,367 | 10,050,367 |
| Deposits: Dom. | 180,313,385 | 152,042,541 |
| Chartered bks. | 515,744,178 | 534,156,746 |
| Other | 36,483,290 | 43,493,823 |
| Total deposits | 732,540,853 | 729,693,110 |
| Liabs. payable in sterling, U.S.A. and For. Gold currencies | 156,830,762 | 156,829,962 |
| All other liabs. | 31,420,419 | 30,993,707 |
| Total liabs. | 2,051,421,151 | 2,060,479,168 |
| **Assets** | | |
| Sterl. & for'n ex. | 156,830,762 | 156,829,962 |
| Subsid. coin | 348,311 | 337,564 |
| Investments: | | |
| Dom. gov. sh. | 1,170,798,593 | 1,159,213,667 |
| Oth. Dom. gov. | 688,641,828 | 695,369,440 |
| Other secs. | 10,000,000 | 10,000,000 |
| Total invest. | 1,869,440,421 | 1,864,583,107 |
| Premises | 1,884,018 | 1,884,018 |
| All other assets | 22,917,640 | 36,844,517 |
| Total assets | 2,051,421,152 | 2,060,479,168 |

WANTED as executive assistant for corporation with Head Office Montreal, University graduate, aged 26-30, unmarried, possessing good personality, fluent knowledge Spanish and French and well versed in accounting and legal matters. Must be prepared spend six months yearly in South America. Prospects of promotion. Reply giving full particulars of qualifications, experience, references and salary expected. Apply Box 42, The Financial Post, Toronto.

WILL TRADE WASHINGTON HOUSE FOR ONE IN MONTREAL

Will exchange my sub-leased 2 bed-room house in Washington for 3 bed-room house in Montreal, preferably suburbs. Late February or March occupancy desired. Write Box No. 25, The Financial Post, Toronto.

# Will Produce Welding Tools

### New Resistance Equipment to be Made in St. Catharines Plant

From Our Own Correspondent

ST. CATHARINES — Manufacture of resistance-welding machines by the English Electric Co. of Canada, as a postwar project, is announced by H. C. Blenkhorn, vice-president and general manager. He said the company's engineering department had been working in close co-operation with a nationally known U. S. manufacturer for some time, and production is scheduled for midsummer.

During the war, the company's payroll increased from 200 to 700, and this employment level has been maintained since V-J Day. English Electric turned out large quantities of motors, transformers, switch gears, and allied products for warships, merchant craft, power projects and Canadian plants. Resistance-welding uses increased greatly during the war, principally on aircraft, tanks, and ships. Mr. Blenkhorn said the new development had been adopted to meet postwar expansion and stabilize employment.

# Hunt's 1945 Sales At All-time High

Sales for Hunt's Ltd. for 1945 were $2,078,388, highest sales figure in the company's history, but only a minor increase over 1944.

At a shareholders meeting this week, at which 85% of the shares were represented, the proposal to subdivide the old "A" and "B" shares on the basis of four new "A" shares for one old and four new "B" shares for one old, was approved unanimously.

"We anticipate that many of our loyal customers, in addition to others, will want to share in the earnings, and this (share) adjustment will at once bring the stock prices within reach of both the large and small investor," H. W. Hunt, president and managing director, states.

Plans are drawn up to enlarge both manufacturing and sales facilities. Latest types of equipment are being added.

## Retire Municipal Debt Mayor Bids Riverside

From Our Own Correspondent

RIVERSIDE, ONT. — Settlement of Riverside's $2,068,407 municipal debt will be the most important business before the 1946 council, Mayor Roland C. Mott told that body at its inaugural meeting.

"This settlement," he said, "must be based on our ability to pay, thereby avoiding the danger of another default. We must plan to retire the principal amount of our debentures within the life of the agreement."

# COMPANY REPORTS

**SAWYER - MASSEY,** now controlled by Hamilton Bridge, shows operating profit, for the year ended Sept. 30, 1945, off considerably from the preious year but final net profit almost unchanged from 1944. Late last year all the company's lands and buildings and certain of its equipment were sold for a cash sum of $140,000. Under terms of the bond mortgage, proceeds will be used to reduce the outstanding first mortgage bonds from $587,500 to $447,500. The working capital position, which at Sept. 30, 1945, stood at $412,005, is not affected by the sale.

INCOME ACCOUNT

| Years Ended Sept. 30: | 1945 | 1944 |
|---|---|---|
| Operating profit | $331,126 | $501,592 |
| Less: Interest | 35,250 | 44,086 |
| Depreciation | 35,731 | 140,642 |
| Inc. taxes, est.* | 216,000 | 272,781 |
| Net profit & surplus | 44,145 | 44,083 |
| *Incl. ref. EPT | 36,750 | unstated |
| Earnings per Share† | $0.88 | $0.88 |

No dividend paid.

†Excl. ref. EPT. In 1945 earned $1.62 per sh. incl. ref. EPT.

CONDENSED BALANCE SHEET

| As at Sept. 30: | 1945 | 1944 |
|---|---|---|
| Cash & Dom. bds. | $461,765 | $185,923 |
| Accts. rec. | 398,362 | 402,555 |
| Inventories | 295,248 | 199,155 |
| Total curr. assets | 1,755,375 | 787,633 |
| Def. chgs. | 14,072 | 16,785 |
| Fixed assets† | 528,140 | 561,081 |
| Total curr. assets | 1,155,375 | 787,633 |
| Total curr. liab. | 743,370 | 441,918 |
| Funded debt | 587,500 | 587,500 |
| Capital stock | 500,000 | 500,000 |
| Less: Deficit | 133,283 | *163,919 |
| †After depr. of | 1,215,328 | 1,181,750 |
| Working capital | 412,005 | 345,715 |

*After adding $57,232 prior year's taxes.

Note: Refundable EPT not included in assets, $104,830 at Sept. 30, 1945, $65,280 at Sept. 30, 1944.

**H. R. MACMILLAN EXPORT CO.** in its first annual report issued to the public announce sales of $26,340,496 for the year ended Sept. 30, 1945. Net profit of $1,213,790 compares with $1,274,003 for the previous year and equals 4.8% on the turnover from operations of the several active subsidiary companies.

War destruction and deferred maintenance combined to create a present demand for forest products far surpassing anything experienced in commercial history, the report states.

During the year an issue of first mortgage bonds totalling $5 millions was sold, of which one-half were 2% to 3% serial bonds, maturing $250,000 yearly 1946 to 1955 inclusive, and one-half were 4% bonds, maturing Oct. 1, 1965. Working capital increased during the year by $1,700,327 to $3,651,462.

CONS. INCOME ACCOUNT

| Years Ended Sept. 30: | 1945 | 1944 |
|---|---|---|
| Net earnings* | $4,496,804 | $3,794,375 |
| Less: Depletion | 431,436 | 331,854 |
| Depreciation | 359,938 | 381,914 |
| Bond interest | 116,857 | 92,824 |
| Prov. for tax.♦ | 2,374,783 | 1,713,780 |
| Net profit | 1,213,790 | 1,274,003 |
| Less: 6% pfd. divd. | 51,714 | 51,714 |
| Common divd. | 177,000 | 177,000 |
| ♦Including ref. EPT | 269,864 | 152,179 |
| Surplus for year | 985,076 | 1,045,289 |

*After deducting other interest of $138,907 in 1945, unstated in other years.

| Times Bond Interest Earned: | | |
|---|---|---|
| Before depr. & depl. | 38.48 | 40.88 |
| After depr. & depl. | 31.71 | 33.19 |
| **Earnings per Share and Dividend Record:** | | |
| Pref.: Excl. ref. EPT | $140.83 | $147.81 |
| Incl. ref. EPT | 172.14 | 165.47 |
| Paid | 6.00 | 6.00 |
| Com.: Excl. ref. EPT | 1.31 | 1.38 |
| Incl. ref. EPT | 1.62 | 1.55 |
| Paid | 0.20 | 0.20 |

CONDENSED CONS. BALANCE SHEET

| As at Sept. 30: | 1945 | 1944 |
|---|---|---|
| Cash & bonds | $1,512,524 | $340,035 |
| Accts. rec. | 1,962,151 | 2,296,135 |
| Mkt. secs.* | 13,250 | 21,100 |
| Life ins. c.s.v. | 131,325 | 110,480 |
| Inventories | 2,935,441 | 2,679,060 |
| Total curr. assets | 6,554,691 | 5,446,810 |
| Misc. assets† | 1,150,540 | 885,669 |
| Invest. in sub., etc. | 3,011,073 | 3,040,483 |
| Fixed assets: | | |
| Timber limits▲ | 6,686,412 | 6,900,307 |
| Plant & equip.■ | 2,720,757 | 2,830,757 |
| Total assets | 20,123,473 | 19,104,026 |
| Bank loans | ...... | 300,000 |
| Accts. & tax. pay. | 2,863,229 | 2,067,359 |
| Other curr. liab. | 40,000 | 1,128,315 |
| Total curr. liab. | 2,903,229 | 3,495,674 |
| Deferred liab. | 1,029,562 | 2,723,609 |
| Funded debt | 5,699,000 | 3,699,000 |
| Minority interest | 51,000 | ...... |
| Capital stock | 1,051,900 | 1,051,900 |
| Capital surplus | 52,145 | 52,146 |
| Earned surplus† | 9,336,637 | 8,081,697 |
| *Market value | 43,725 | 43,250 |
| †Incl. ref. EPT | 506,344 | 236,480 |
| ▲After depletion | 4,618,145 | 4,210,645 |
| ■After depreciation | 4,504,302 | 4,167,229 |
| Working capital | 3,651,462 | 1,951,136 |
| Conting. liab. | 184,345 | 40,500 |

**MID CONTINENTAL OIL & GAS** reports that two producing wells were drilled in the Conrad area in period ended March 31, 1945. Pumping units, boiler tankage and housing facilities have been installed with arrangements under way to turn this production into a pipeline laid by California Standard Co.

The company holds substantial blocks of acreage in Taber and Conrad fields where further exploration will be undertaken this year, it is said.

INCOME ACCOUNT

| For the Six Months Ended: | Sept. 30 1945 |
|---|---|
| Prod. proceeds | $4,019 |
| Less: Royalties | 603 |
| Operating exp. | 2,628 |
| Net profit | 788 |

CONDENSED BALANCE SHEET

| As at: | Sept. 30 1945 | Mar. 31 1945 |
|---|---|---|
| Cash | ...... | $3,182 |
| Accts. rec. | $11,963 | 9,164 |
| Total curr. assets | 11,963 | 12,346 |
| Def. accts. rec. | 6,472 | 5,315 |
| Organ. & dev. exp. | 265,531 | 225,635 |
| Leasehold rights | 34,131 | 31,631 |
| Bldgs. & equip. | 9,441 | 5,503 |
| Total assets | 327,538 | 280,430 |
| Bank loans | 13,864 | ...... |
| Accts., etc., pay. | 23,184 | 17,428 |
| Total curr. liab. | 37,048 | 17,428 |
| 5½% debenture | 29,700 | 33,000 |
| Capital stock | 260,002 | 230,002 |
| Surplus | 788 | ...... |
| Deficit working cap. | 30,576 | 12,113 |

**LANGLEY'S LTD.** has declared a $3 dividend to be paid during 1946, in five installments as follows: $1 payable Jan. 11, 50c. payable March 11, 50c. payable June 11, 50c. payable Sept. 11 and 50c. payable Dec. 11. A profit will be shown for 1945 as against a loss for the previous year's operation; the company has been able to take care of the volume of business offered. Volume in 1946 will probably be the largest in company history, the president's letter to shareholders states.

## Managed Investment

# Consolidated Paper Sold For Compton's Account

Compton realized a net profit of nearly 92% on Consolidated Paper shares sold, and still retains half his original investment. Dominion of Canada 3%, 1963 bonds, are bought on the "switch."

**The Compton Fund Transactions:**

SOLD:

| No. of Shares | Security | Sales Price | Net Proceeds |
|---|---|---|---|
| 5 | Cons. Paper (com.) | $15¼ | $74.90 |
| 5 | " " | 15½ | 76.15 |
| 5 | " " | 15¾ | 77.40 |
| 5 | " " | 16 | 78.65 |
| | | | $307.10 |

PURCHASED:

| Security: | Cost Price | Amount | Income |
|---|---|---|---|
| $300 Can. 3% bond | $101½ | $306½* | $9.00 |

*Includes accrued interest amounting to $2.00.

**Compton's Manager Says:**

Thus on the "switch" completed during the period from Dec. 16 to Jan. 2, Joseph Compton's expected annual income has been increased by $9. As between Dec. 15, 1944, when Mr. Compton's account was taken over and Jan. 2, 1946, the following is the broad change in the position:

| Book Value | Dec. 15, 1944 Principal Sum | Dec. 15, 1944 Annual Rate of Income | Jan. 2, 1946 Principal Sum | Jan. 2, 1946 Annual Rate of Income |
|---|---|---|---|---|
| Bonds | .... | ... | $5,214 | $156 |
| Pref. | $925 | $45 | 3,081 | 184 |
| Com. | 6,661 | 284 | 3,202 | 143 |
| Mines | 1,750 | 64 | .... | ... |
| Cash | 663 | ... | 15 | ... |
| | $10,000 | $393 | $11,514 | $483 |

The Financial Post assumes no responsibility for the specific buy and sell recommendation reported here. The changes and reasons for them are made entirely on the responsibility of two investment managers who have undertaken management of two hypothetical investment funds, the operations of which are reported for readers of The Financial Post.

The buying and selling of an individual security for one of these funds does not and should not be interpreted as indicating the wisdom of any individual taking similar action. What is wise for one individual in certain economic circumstances and with a certain list of securities may be entirely unwise for another individual.

Purpose of this continuing feature is to illustrate by actual example, the principles of sound investing based on experience, knowledge and constant attention.

**AVALON TELEPHONE CO.** new issue of $500,000 4½% general (closed) mortgage sinking fund bonds, due 1966, offered at par by W. C. Pitfield & Co., Ltd., was oversubscribed the day of offering. The company owns and operates the entire telephone system in St. John's, Newfoundland, and surrounding district.

Its the same Sunday La Patrie but it has grown in

La Patrie
LA FIN DES POURPARLERS DE MOSCOU?

Circulation

AVERAGE NET PAID CIRCULATION

| | |
|---|---|
| 1935 | 41,935 |
| 1936 | 76,904 |
| 1937 | 100,696 |
| 1938 | 104,620 |
| 1939 | 118,238 |
| 1940 | 139,271 |
| 1941 | 161,058 |
| 1942 | 187,531 |
| 1943 | 215,889 |
| 1944 | 221,544 |
| 1945 | 237,000 |

ELEVEN YEARS OF PHENOMENAL PROGRESS

Eleven years ago, Sunday La Patrie first made its bow with a circulation of 19,400 (on January 6th, 1935). Today it has a circulation of 245,000, and is read in every city, town and village in the Province of Quebec.

Success such as this is no lucky "break". It is the result of careful planning, of a steady and constant endeavour to give the French reading public what it wants.

Sunday La Patrie's four great sections — news, magazine, rotogravure and comics, attract a reader audience of well over a million and a quarter people — 99.4% of whom buy their weekly copy through newsdealers at 7c per copy.

Serviced by all great news-gathering agencies and its own expert editorial Staff, Sunday La Patrie goes gaily into the twelfth year of its career more firmly entrenched than ever in the hearts of the French Canadian people.

now Week-end circulation (Saturday & Sunday)

283,200

Sunday La Patrie leads all French Sunday Newspapers in Quebec Province

First
... in Total Circulation
... in National Advertising
... in Montreal Circulation
... in Local Advertising
... in Number of Advertisers
... in Number of pages per issue

Sunday LA PATRIE
MEMBER A.B.C.

ONE OF THE BIG FOUR National WEEK-END NEWSPAPERS

**quick successions**

The recent Dominion budget has granted some alleviation of Dominion Succession Duty in the case of so-called quick Successions. Where an estate passes for the second time within one, two, three, four or five years, a graduated reduction ranging from 50% in the first year to 10% in the fifth year, is now allowed in the Dominion Duty payable on the second passing. The effect of Succession Duties in cutting down the value of your estate is one of the prime factors to be considered in estate planning. Our broad experience of the practical consequences of this taxation is one of the reasons why we can be of assistance to you in reviewing plans you have either made or have in contemplation for your estate. We invite your inquiry.

**THE TORONTO GENERAL TRUSTS CORPORATION**
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**Due October 1st, 1965**

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PAcific 8371

*We offer the shares of*

**SKILLCRAFT METAL PRODUCTS LIMITED**

*(Incorporated under the Laws of the Province of Ontario)*

**5½% Cumulative Redeemable Preference Shares**

**Par Value—$100.00 Per Share**

These Preference Shares are to be fully paid up and non-assessable, preferred as to Principal and Dividends, and accumulate preferential dividends at the rate of 5½% per annum, payable semi-annually on the first day of January and the first day of July, commencing on the first day of July, A.D. 1946. No dividends will be paid on the Common Shares of the Company until all accumulated and current semi-annual dividends on the Preferred Shares have been paid or provided for. The Preferred Shares will be subject to redemption in part or in full at a price of $105.00 per share, plus accumulated dividends, on any dividend date that may be fixed by the Directors of the Company. The Company reserves the right to purchase its Preferred Shares when offered in the open market.

Demand for the type of Hardware being produced by SKILLCRAFT METAL PRODUCTS is large and very steady in normal times, and it is believed by the management of the Company that the tremendous building program of Governments and Private Enterprise through the next few years—required to liquidate the back-log of the past six years of limitations of repairing and renovation work, plus the need for new housing throughout the Dominion and the world generally—gives the Company an extremely substantial outlook for volume of business and profits. The plans now agreed upon, it is believed, will assure large volume in many profitable items, with consequent benefit to the Company shareholders.

**Complete information will be furnished on request.**

**We offer the 5½% Cumulative Redeemable Preference Shares of this Company at**

**PRICE $100.00 per Share**

**Each Share of the Preference Stock carries a bonus of 15 shares of the Common Stock—par value $1.00.**

**The right is reserved to reject any application or to allot a smaller number of shares to any applicant than the number applied for.**

**A. G. WHITE & COMPANY**
BROKERS
371 BAY ST., TORONTO 1, ONTARIO
TELEPHONE: ELGIN 6354

**INVESTMENTS THIS WEEK**

# Talk Interest Rate Drop As Bonds Hit New Peaks

An important factor in the recent Canadian investment markets has been the striking rise in Dominion long-term bond quotas. Dominion perpetuals have jumped 2¾ points in a week, and are now quoted $101¾ to $102⅛ to yield about 2.94%. Ninth Victory Loan 3's of 1966 have recorded an amazing rise since issuance, to be quoted $102⅜ to $102¾ to yield about 2.78%.

Chief factor is the belief that interest rates may go still lower. Investors are already talking a 2¾% coupon for the next Dominion loan long-term bonds although no loan is expected till the fall and conditions could change greatly by then. This has resulted in a shifting of money from shorter to longer term bonds. This is illustrated by greater rise in longer terms as shown by the following table:

| 3% Bonds* | Bid Price Jan. 15, 1946 | Point Increase Since Jan. 8, 1946 | Dec. 1, 1945 |
|---|---|---|---|
| 1950/51 | 105.65 | .. | .. |
| 1952/54 | 105.00 | .. | ⅛ |
| 1953/56 | 104.00 | ¼ | ⅝ |
| 1954/7 | 103.00 | ¼ | ⅝ |
| 1956/9 | 102.75 | ½ | ⅞ |
| 1957/60 | 102.50 | ⅜ | 1⅛ |
| 1959/62 | 102.375 | ⅜ | 1½ |
| 1959/63 | 102.375 | ½ | 2 |
| 1961/66 | 102.375 | ¾ | 2⅜ |
| Perps. | 101.75 | 2¼ | 3¾ |

*All Victory bonds except the perpetuals.

* * *

Adding to the pressure toward higher prices has been a strong continuous demand from U. S. investors and a lack of supply of long terms, partly due to the restriction on purchase by industrial companies of ninth loan 3's, dealers state.

One effect of this break through the 3% level is seen in the stock market's strength, which has attracted the greater publicity. A big factor which underlies the rise of stock prices is said to be the pressure of funds seeking a better return than from high grade bonds. It has caused a persistent demand for seasoned common stocks and is reducing the floating supply of stocks in the market.

As a result of the rising stock prices, there has been a steady reduction in yields on stocks as shown by the following table of average percentage yield for four classes of stocks on the Toronto Stock Exchange.

| | Banks | Pref. | Com. | Mines | All |
|---|---|---|---|---|---|
| Dec., '45 | 3.06 | 4.62 | 4.11 | 3.69 | 3.98 |
| Nov. | 3.42 | 4.73 | 4.30 | 3.82 | 4.15 |
| Oct. | 3.48 | 4.88 | 4.35 | 4.22 | 4.32 |
| Sept. | 3.50 | 4.97 | 4.46 | 4.55 | 4.49 |
| Aug. | 3.47 | 4.99 | 4.58 | 4.59 | 4.56 |
| July | 3.46 | 5.03 | 4.62 | 4.70 | 4.61 |
| June | 3.45 | 4.98 | 4.46 | 4.68 | 4.55 |
| May | 3.76 | 5.07 | 4.62 | 4.68 | 4.66 |
| April | 3.79 | 5.19 | 4.73 | 4.81 | 4.78 |
| March | 3.79 | 5.23 | 4.97 | 4.99 | 4.93 |
| Feb. | 3.81 | 5.16 | 4.88 | 4.73 | 4.81 |
| Jan. | 3.77 | 5.23 | 5.01 | 4.96 | 4.95 |
| Dec., '44 | 3.86 | 5.26 | 5.00 | 5.70 | 5.18 |
| Dec., '43 | 4.42 | 5.76 | 5.73 | 6.98 | 6.03 |
| Dec., '42 | 4.67 | 6.55 | 6.42 | 12.96 | 8.48 |
| Dec., '41 | 4.78 | 6.63 | 6.64 | 13.36 | 8.61 |
| Dec., '40 | 4.59 | 6.67 | 6.01 | 9.85 | 7.17 |
| Dec., '39 | 4.30 | 5.83 | 5.32 | 8.12 | 6.11 |
| Dec., '38 | 4.34 | 5.80 | 5.57 | 7.78 | 6.20 |
| Dec., '37 | 4.36 | 5.90 | 5.87 | 7.20 | 5.98 |
| Dec., '36 | 4.06 | 5.14 | 4.21 | 5.68 | 4.69 |
| Dec., '35 | 4.68 | 5.77 | 4.55 | 6.43 | 5.21 |
| Dec., '34 | 4.54 | 6.38 | 4.74 | 6.34 | 5.49 |

* * *

### Dosco's Refinancing Is Being Arranged

Funds for payment of Dominion Steel & Coal Corp.'s 6¼% bonds, due Sept. 1, 1955, will be provided by a refinancing now being arranged by Wood, Gundy & Co., The Financial Post understands. Details are expected about the end of January. The 6¼% bonds, of which $4,408,000 were outstanding at Dec. 31, 1944, are being redeemed on Mar. 1, 1946, at 110 and accrued interest.

* * *

### Sees Conditions Improved For Federal Foundries

Conditions are improving at Federal Foundries & Steel and a general pickup in fine steel business is now evident, N. L. McNames & Co. say in an analysis. Sizeable orders for export have been held up pending satisfactory credit arrangements but a satisfactory amount of business is now on hand. The management is diversifying production to maintain a steadier output, it states.

Present conditions will probably result in either operation or sale for a substantial sum, of the Sandwich foundry, to the benefit of Federal's common shareholders, the analysis states. C. H. Henze Co. has set up a warehouse stock of Federal tool steel at Windsor to service Western Ontario plants.

* * *

### Talk Preferred Adjustment For Federal Grain Preferred

With the refunding of Federal Grain's bonds under discussion, investors are talking of the possibility of some adjustment for its 6½% preferred stock. Preferred arrears amounted to $73.87½ a share after giving effect to payment of $2 on Feb. 1, 1946.

One report indicates common stock may be issued preferred holders for arrears, but sources close to the company discount this at present.

As a result of these reports, Federal stocks have been active, with the preferred jumping to $117 a share from $90 a share at the year end, and the common to about $9½ a share from $5½ at the year end. Both stocks are substantially above their 1945 lows of $65 and $3½ respectively.

The new bond issue is expected to be for $6 millions, of which $3 millions will be short term serials and $3 millions 18-year 4's.

* * *

### Say No Change on Control For Brantford Roofing Co.

There has been no change in control for Brantford Roofing Co., Arnold G. Hitchon, president, tells The Financial Post in reply to a question. Rumors of a change have included one suggestion that Dominion Tar & Chemical Co. had purchased control.

* * *

### Large Number of New Issues Said Under Consideration

Investment banking circles report an unusually large number of financing operations—new issues as well as refundings—under discussion, although not all may develop. A few refundings reported under discussion recently include: McColl Frontenac preferred, Montreal Tramway bonds, City of Montreal bonds, Howard Smith preferred stock.

* * *

Sale of **Peller Brewing Co.'s** stock units to provide funds to build a new brewery in Hamilton is progressing well, The Financial Post is told. Units of four $25 par 5½% preferred shares and eight no par common shares are still being offered at $100 a unit.

* * *

### Canada Cement Looks For Another Big Year

Expectations of wide expansion in the building industry, particularly in use of cement, have brought considerable interest into shares of Canada Cement. Preferred earnings jumped to $5.38 a share, excluding refundable tax of $171,000, in year ended Nov. 30, 1945, up from $4.12 in previous year (no refundable). Common improved slightly, showing deficit earnings of 38 cents a share as against 80 cents in 1944.

Preferred dividend at the rate of 6½% would have been earned by a small margin if the new 60% excess profit tax rate had been in effect. This week the first full regular dividend on the preferred since 1941 was declared—$1.62½ payable March 20.

Prospects for building activity in the coming season are very good, President J. D. Johnson states, and it is not too much to expect that demand for cement will equal 1945 and perhaps be something in excess. Big problem is meeting the demand, and a $3.3 million replacement program is to be carried out. Paradoxically, this major building materials supplier is itself worried about being able to get materials for its own expansion.

* * *

### Canada's Trade Position Reviewed By Wood, Gundy

Canada has now superseded Germany as the third most important trading nation in the world, Wood, Gundy & Co. points out in a new analysis of Canada's international trade and financial position. Only the United States and Great Britain have exports greater than Canada's. Exports are so basically important that the activities of three out of every eight Canadian workers depend on them, the report states.

Should the United Kingdom be unable to continue importing from Canada on the pre-war scale, Canada will have to more nearly balance trade with the U.S. and to expand exports to other countries, the analysis states. In every year since 1881 Canada has had an unfavorable balance of trade with the U.S. Before World War I Canada's imports usually exceeded exports, but, in the 30 years since then, total exports have exceeded total imports in every year except four—1920, 1929, 1930 and 1931.

* * *

In the financial section, Wood, Gundy estimates that at May 31, 1945, 36% of the Dominion's gross direct debt was held by individuals, 33% by insurance and business companies and government accounts and 31% by banks. Canada's gross direct debt is estimated at $16,870,700,000 at Dec. 31, 1945, with 98.2% being payable in Canadian funds. (Comparable figures at Mar. 31, 1939, were $3,385,722,462 and 74.2%.) Of the total new money borrowing of $15,086,200,000, about 86% or $12,958,400,000 was obtained from the Canadian public.

* * *

### Expect Decision This Month On Great Lakes Paper Bonds

Some definite word on the refunding of Great Lakes Paper 5% bonds due 1955 is expected before the end of January, The Financial Post understands. These bonds are only callable on 60-days' notice on an interest date so that if not called by then, they could not be called for another six months.

Hon. W. Earl Rowe, president, last week revealed that the bond's refunding was under consideration but that details had not been finalized. Outstanding were $4,881,060 bonds at Dec. 31, 1944, callable at 102, payable in Canadian or U. S. funds.

Mr. Rowe also spiked the rumor that the company might pay off the $10.50 preferred dividend arrears, saying it was not in a position to do so at this time. However, these arrears may be cleared up from future earnings.

**M. W. McCUTCHEON**

**deputy chairman of the Wartime Prices and Trade Board, has been elected a director of the National Life Assurance Co. of Canada.**

# Shiels Joins Davis Corp.

## Deputy Minister of Munitions and Supply Back in Private Business

G. K. Shiels, Deputy Minister of the Department of Munitions & Supply, will join N. M. Davis Corp. as executive vice-president on Feb. 1, 1946, President Nelson M. Davis has announced.

MR. SHIELS

N. M. Davis Corp., organized 16 years ago, controls: Atlantic Distributing Co., Canada Varnish Co., Chain Store Equities Ltd., Chainway Stores Ltd., Coloron Corp. (Canada), Colville Cartage Co., Inter-City Forwarders Ltd., A. E. Jupp Construction Co., Madison Paint & Varnish Corp., Nu-Wall Ltd., Stanley Manufacturing Co., Stanley Precision Instruments Ltd., Virginia Dare Ltd., Wyandotte Enterprises Ltd., and Miln-Bingham Print-Craft Ltd. and several other companies. An affiliated company is Dayton Rubber (Canada) Ltd.

George Kingsley Shiels as a deputy minister of Munitions and Supply has been very much in the public eye in the war years. Born in 1894 in Gagetown, N.B. he was educated there and at Saint John Business College. At age of 20, he enlisted as a private in Canada's first contingent, served overseas with Royal Montreal Regiment and was discharged in 1919 with rank of captain.

Shiels has been associated with King Cole Tea Co., George E. Barbour Co., Ames, Holden, McCready Ltd., Ames, Holden Tire & Rubber Co., and their successors Canadian Goodrich Co., The Robert Simpson organization and from 1930 to 1940 with General Steel Wares Ltd. where he was vice-president and assistant general manager. In January, 1940, he became Director of Administration, War Supply Board.

# John Bertram Gross Lower

## But Net Profit Expected To Show Only Minor Change—Orders Heavy

Gross income for 1945 for the John Bertram & Sons Co., Dundas, is off considerably from 1944, H. G. Bertram, president, states, but final net profit figure is expected to show only a minor change.

The company has sufficient orders on hand to ensure maximum capacity for nine months, but raw material shortages have kept production well below capacity levels. Continued shortages in castings and electrical supplies are the main material bottlenecks. Strikes have crippled the U. S. electrical industries to such an extent that delivery of electric motors, electric controls, electromagnets, etc., are on a very reduced and haphazard basis.

Approximately $385,000 is being spent on additions and improvements to the company's foundry. This expenditure will not only increase castings output by the use of labor saving devices, but will improve working conditions by elimination of dust, it is stated. Other substantial expenditures have been made during the year with the purchase of Government-owned machinery in the company's Pratt & Whitney division.

The small-tool business has lagged behind other company lines, the president said, because of sharply curtailed production of many types of tool steel in the United States, and delayed purchasing programs by many Canadian manufacturers.

**CANADA NORTHERN POWER CORP., LTD.**, reports contracts entered into with Anglo-Rouyn Mines, Ltd. and with Elder Gold Mines, Ltd., for supply of power to these properties, and short connecting transmission lines are being built. In addition, preparations are being made to reopen Pandora Cadillac Gold Mines, which has been reconnected to the Canada Northern system.

**MONTREAL CURB MARKET** has removed from its unlisted section the shares of Kirkland Gold Rand, Ltd., as these shares are in process of exchange fof shares of Hudson-Rand Gold Mines, Ltd.

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**Hunt's Ltd.** shareholders will be asked at a special general meeting on Jan. 14, to consider a directors' proposal to subdivide the Class A and Class B shares on a four-for-one basis. Wider stock distribution, some of which is now closely held, is the main reason for the stock split, a company official states.

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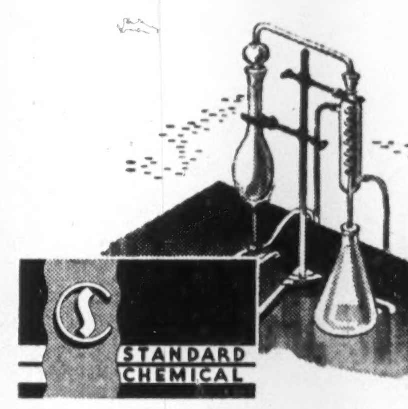

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# Are We Building At Capacity?

Why not bring the skill and capacity of proven house builders into greater use in emergency production of veterans' rental housing? Makers of Ottawa's housing policy might well consider that question studiously, objectively and with some urgency as pressure rises behind moves to increase the building programs of Wartime Housing and the Soldiers' Settlement Board.

The question boils down to this: In perpetuating and enlarging the activities of these agencies are we actually speeding net production of homes, conserving public funds more effectively than could be done under any workable alternative plan, and preserving the established house building industry for its coming major role in the national effort to provide a high and stable level of employment?

That question is growing more urgent by the week as more and more thousands of veterans swarm ashore from Europe and entrain for already congested cities. Increasingly heard is the contention that with building costs running much higher than mortgage valuation—and down payments on urban owner-housing therefore beyond the reach of many, even with re-establishment credits—a majority of returning men looking for small homes just now want to rent rather than buy.

Private house builders are offering a plan for government action in a new direction. They suggest that Ottawa, instead of increasing government building programs, do these two things:

1. Buy small permanent homes now being built by large-scale builders—at prices claimed lower or at least no higher than costs entailed in the Wartime Housing program—and rent them to veterans;

2. Amend the National Housing Act to increase the percentage of mortgage loans for veterans to 90% of market value and extend amortization from 20 to 30 years. Effect of such an amendment in favor of veterans would be to reduce down payments from $1,060 to $500 for a $5,000 house, and carrying charges on the same from $30.74 to $28.80 a month.

There may be proper objections to such procedure. But at least the proposal should be thoroughly studied. With likely continued shortage of skilled labor and certain key materials through next spring, the supply priority accorded operations of the government's own building agencies is seen by many building men as seriously impairing the operations and future capacity of long-time builders of owner-housing—men who have built most of Canada's houses in the past—men on whom chief responsibility presumably will fall for full-out postwar building.

## Tell All the Facts

Company executives reporting to their shareholders have both an unusual responsibility and an unusual opportunity. With the tremendous interest in the future of business, reports this year will be awaited eagerly and scanned carefully. With the shift back to peacetime operations and the removal of any need for secrecy, there is much to be told and much that deserves and needs comment from company executives.

In a recent survey, 123 executives of U.S. investment institutions reported their opinion that corporation reports to stockholders were "generally inadequate." Yet U.S. corporation reports, as a rule, give a great deal more information (because of law and habit) than Canadian reports.

Enlightened management should disclose all the facts, both favorable and unfavorable; give shareholders a chance to form a true opinion of their company, its operations and its prospects. Executives operating a business should be familiar enough with it to do a great deal better than just repeat figures from the financial statement.

A U.S. financial man recently declared:

"If we are going to avert a repetition of 1929-32, and with more drastic implications, we had better create a well-informed ownership of corporations. Just let stockholders feel they have been deceived or misled with half-truths and they will be a fertile field for any substitute for our system of society following any price crash. Analysts have a social as well as economic responsibility, and companies that habitually hide the facts do not help us perform the part we should."

Failure to give sales data or the split up of miscellaneous income by source, where the item is large, is frequently criticized as withholding data essential to adequate appraisal of company potentialities. Other subjects which generally might be discussed more fully are costs, depreciation policies, reserves, competition, merchandising policy and raw materials situation.

Now, more than at any time before, shareholders, investors and the general public will be watching and analyzing annual reports. If executives take the real owners—the shareholders—into their confidence, it would be for the benefit of all concerned.

## Tourism—A Mighty Opportunity

In pre-war years, tourist trade ranked high among Canada's biggest businesses, contributing many millions of dollars to our national income and providing large quantities of foreign exchange annually.

Important as it was then, every present indication is that it will be vastly increased in the future. But Canada must "sell" her tourist attractions; above all must provide attractive tourist facilities.

One of the many sage comments of Morris W. Wilson, president, Royal Bank, in his address to shareholders, was devoted to the importance of fully exploiting this source of national wealth. In addition to making Canada known abroad and to providing foreign exchange, Mr. Wilson said:

"The trade provides jobs; visitors scatter over our country in such a way as to carry trade to practically every hamlet; international goodwill is fostered by the happy way in which tourists and our own people meet and mix and do business. We have not done more than scratch the surface of the tourist industry.

"We can look for, if we work for, millions more visitors every year. But, as in commodity trade, we cannot just depend upon government advertisements and organizations. Every Canadian can do a share, by inviting friends, and by making the visitors' stay cheerful and interesting, while those concerned directly in the business can see that accommodations are superior, recreation provided, and service of a high type made available at every resort and tourist stopping-place."

## Wartime Wages and Wartime Waste

Leaving the arithmetic of wages, prices and production to the economists for the moment, there is still one aspect of current union demands, particularly in the United States, that remains the complete anomaly. That is the demand for maintenance of wartime "take home pay," while working fewer hours.

No matter how vociferous union leaders may become in arguing their case, their arguments are bound to remain faulty because they are based on a faulty premise. Wartime wages, wartime production figures, wartime waste can never be considered a normal basis from which to calculate anything.

Of all people concerned in the labor dispute situation, perhaps the war veteran is the most perplexed. A year or two ago the issue was quite clear in his mind. He wasn't very happy to be living in the mud and gambling with his life for $1.50 a day while "pals" he had grown up with at home were making that much an hour in munitions plants.

But he argued it this way. War is the most wasteful enterprise in the experience of the world. When a nation is fighting for its life it can't stop to count dollars. He knew that no one could assess the value, to him, of a Canadian shell that silenced a German battery just as it had got the range on his position. And no one could put a value in dollars on anything that was winning the war. Certainly, he envied the munitions workers, but he consoled himself with the thought that, once the war was over, things would become normal again. Swollen wages would come down and he'd be able to get a job at wages on about the same level as those who stayed home. Is it any wonder he is perplexed to find that the men who made those munitions now want to keep on drawing down those fantastic pay cheques while wages in other industry and in "white collar" jobs remain at or near their pre-war levels?

No one else expects the wastefulness of war to carry over into the peace. The soldier who climbed out of a wrecked jeep and "wrote it off" doesn't plan to treat his own car so casually. Many small firms which expanded to four and five times their pre-war size have returned to their former dimensions to resume production of their peacetime lines on a scale only slightly larger than before.

The housewife doesn't expect butter and sugar and meat to remain rationed once the supply situation has sorted itself out. Everyone was glad when regulations freezing labor were finally suspended and when tires and gasoline came freely on the market again. They expected both, because there was no place for those wartime restrictions in a peacetime economy.

Judged on that basis, it is difficult to see how anyone can rationalize any demand when it is based on a holdover from wartime conditions. The sooner we get away from everything reminiscent of those desperate, heart-stirring but wasteful days, the sooner Canada will move along the road to normal, peacetime prosperity. And wartime wages cannot be expected to outlast the war any more than wartime rationing and wartime controls.

## Will They Try It Again?

The "resignation" of Watson Thomson as director-general of Saskatchewan's adult "education" program is being widely interpreted as "dismissal."

The nature of the "education" which this man proposed was first described to a national audience in The Financial Post as long ago as February 24, 1945.

At that time Mr. Thomson told a Post writer, "Your beautiful neutrality in education is like nonintervention in Spain. It falls down and leaves the individual completely exposed to reactionary forces. Our job is the liberation of the common man, not to leave him unorganized or playing a passive role."

Mr. Thomson made it very clear that he intended to use his job for the preaching of his political gospel. The Regina Leader-Post, gratefully announcing the Thomson departure, makes this sound comment:

"Having fathered and created the inane but obnoxious radio and pamphlet operation called 'The Front Page: A Living Newspaper,' and having kept it alive for ten insulting weeks, it was only a matter of time surely before popular protest would have forced the government to take some such action.

"But the point which provides a more important basis for concern is that for 14 months Mr. Lloyd (Minister of Education) and the Douglas government left in the hands of this avowed propagandist the full responsibility of conducting adult education in the province.

"They knew what Mr. Thomson was and what he stood for when they hired him, because he makes no bones about what he considers to be his mission in life.

"If there is any simple public undertaking which, above all others, must be kept meticulously independent from narrow propagandist purposes, it is education. The very word itself implies complete freedom from biased conceptions. Indoctrination, through perversion of educational systems is part and parcel of totalitarianism."

The departure of Mr. Thomson from the Saskatchewan adult education job is interesting. But, having seen the deliberation with which the Saskatchewan government put Thomson to work to do a Goebbels job on their people, Canadians will do well to wait for proof before leaping to conclusions that the Douglas band has decided to stop prostituting education.

## Book in a Paragraph

"During the past fiscal year, your company paid:

Dividends per common share—20 cents.
Taxes per common share—$2.68.
Taxes per employee—$902.62.

That is a very illuminating and apt part of the annual report of H. R. MacMillan Export Co. Ltd.

That paragraph speaks a whole volume on the "wages" of capital which makes and maintains jobs; on what taxes are doing to encourage new enterprise.

## Stop Me If —

The great scientist scanned the heavens through the huge telescope. He studied his tables and maps, then he remarked to a colleague, "It's going to rain!"

"What makes you think so?"

"My corns hurt!"

• • •

The young husband had just arrived home from the office.

"What's the matter, darling?" he asked. "You look flustered."

"Oh, I've had a dreadful day," his wife answered. "First baby cut his first tooth, then he took his first step, and then he fell and knocked out his tooth."

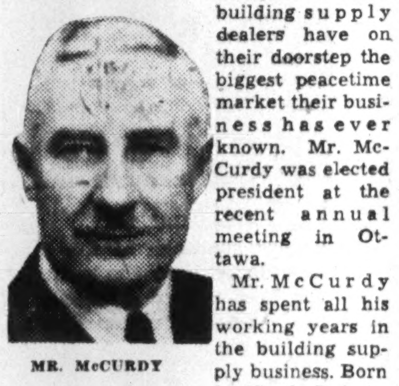
"Well, and then what happened?" asked her husband.

"Oh, darling," she answered in a shocked voice, "he said his first word!"

# Post Scripts

## Builder Supply Job

Archibald G. McCurdy, Winnipeg, head of the building supply firm which bears his name, becomes head of the Canadian Supply Builders' Association in a year in which building supply dealers have on their doorstep the biggest peacetime market their business has ever known. Mr. McCurdy was elected president at the recent annual meeting in Ottawa.


MR. McCURDY

Mr. McCurdy has spent all his working years in the building supply business. Born in North Dakota, 18 miles south of the international boundary, his family migrated from the Province of Quebec in the late '70's and took up land in North Dakota near Langdon. Mr. McCurdy spent his early years on the family homestead and what academic education he obtained he got from local public and high schools.

Before he was of voting age, he left the farm and came to Winnipeg. His first job was with a building supply dealer. His start on his own was simultaneous with a building boom in the West and logically he got into business for himself. In 1911 he formed a partnership with James E. Braid and did business for 18 years under the name of Braid and McCurdy. He bought out his partner's interest in 1929 and has continued since by himself.

Building supply operations include the merchandising of all commodities of the trade, lumber, sand and gravel, brick, hollow tile, sewer pipe, and cement. The Canadian Builders' Supply Association, a national organization, is the central clearing house for the many problems of the business. Its membership is confined almost wholly to larger cities, 26 of which are in Winnipeg.

Mr. McCurdy's only son, Flying Officer Archibald L. McCurdy, was a casualty of the recent war. He was shot down in the English Channel and lost his life only about two weeks before the Nazi collapse in Europe. Both his daughters were enlisted in war service. The youngest, Marion was at RCNVR headquarters in Toronto when the war ended. The eldest, Grace, was a dietitian in the 20th Canadian General Hospital and was on duty at Antwerp throughout the blitz of Hitler's V-2 bombs.

• • •

## The Forest Inquiry Man

The most far-reaching investigation ever made in British Columbia—the Sloan report on forest conservation policy—has just been handed over to the provincial government. Its author is Hon. Gordon McGregor Sloan, Chief Justice.

Chief Justice Sloan's assignment, given him in January, 1944, was to investigate B. C's. forest resources. His knowledge of the subject at that time does not seem to have extended very far beyond that of Mr. Average Citizen, so that he is credited with taking on the job with an open and impartial mind.

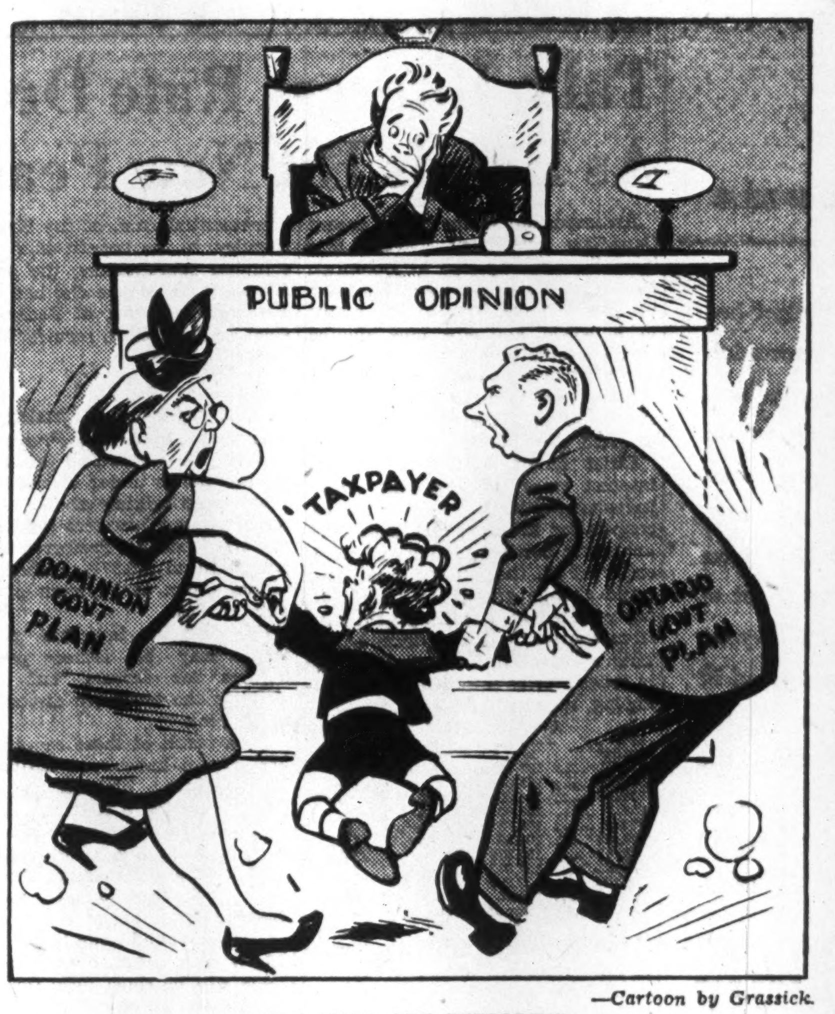
The Chief Justice's experience in assembling and weighing evidence had twice previously been put to work in Royal Commissions. In 1940 he conducted an enquiry for the Dominion on salmon fishing in B. C., including the use of trap nets in the Sooke area and purse seines at the mouth of the Fraser River. In 1942 he inquired into the operations and administration of the Workmen's Compensation Act for the B. C. Government, which brought from one newspaper the comment that "His Lordship's literally monumental report . . . . was a model of meticulous and searching analysis, . . . . objective rather than showing political acrimony." The recommendations of both reports were implemented practically in toto.

The current Sloan Commission on forestry held its opening session on Feb. 7, 1944. Subsequent hearings, occupying 111 days, were held at eight other centers in British Columbia, the closing session coming July 28. Sworn evidence was taken from 293 witnesses, 562 exhibits were entered, and the transcript of evidence and submission of counsel filled approximately 12,000 typed pages.

He was born in Nanaimo, B.C., on May 16, 1898, a grandson of the first white girl born in that Vancouver Island city. Private school education aimed him from the outset for law. In 1915 he went overseas and served until 1919 as a pilot in the RFC and RAF. In 1921 he joined the law firm headed by the present Senator J. W. deB. Farris.

In 1933 he was elected to the B. C. Legislature for Vancouver Centre and became Attorney-General in the Pattullo cabinet. In October, 1944, he became Chief Justice of British Columbia.

His father was Hon. William Sloan, who was a Dominion Member of Parliament and later B. C. Minister of Mines and Provincial Secretary in the Brewster and Oliver cabinets.



—Cartoon by Grassick.

"WHO WILL GET CUSTODY?"

## Construction President

In what will perhaps be the most critical year of its operations, the Canadian Construction Association showed its concern for getting on common ground the various representatives of the industry by electing Albert Deschamps, Montreal, as its 1946 president. Mr. Deschamps' knowledge and experience is wide and thorough in two fields, first in his own private business as a construction contracting engineer, and secondly, as a member of the National Supply Council, the National Wartime Labor Relations Board, and the Advisory Council of National Selective Service. These are jobs which have required him to spend much of his time in Ottawa since shortly after the start of the war.

Mr. Deschamps comes from one of the oldest families in Quebec. The family tree can be traced back to the early days of New France. Now 55, he was born in 1891 in Brockton, Massachusetts, where his father was an immigration agent for the Dominion Government in the New England States. He got his early education in public, high and technical schools in Massachusetts and, well grounded in the work he planned to follow, he entered McGill University in 1912 in the department of applied science. He graduated as a construction engineer in 1916.

His first professional job was with the Atlas Construction Co., Montreal. Two years later he went to the Maritimes as general superintendent for the Ottawa contracting firm of Bate, McMahon & Co. At the end of four years he went back to Montreal and started in business for himself.

In his own province Deschamps has had charge of big wartime building projects. One was construction of 300 units in a wartime housing project, 200 of which were constructed at Quebec City and the other 100 at Lauzon. The Valleyfield Cathedral, Loyola College Administration Building, No. 1 Wireless School at Montreal, and a series of hospital buildings at Nicolet, St. Johns, Granby and other points, are among his construction jobs of recent years.

Mr. Deschamps is a former president of the Building Trades Joint Council of Montreal. From 1941 to 1943 he was also president of the Builders' Exchange of Montreal.

# How Far Will Inflation Go?

*Jules Backman is a distinguished economist at New York University. This pungent piece on a subject of vast importance will appear in "Trusts and Estates."*

The basic question today is not 'Will we have inflation?' We already have it. The only question is how far it will go and what other areas of our economy will be affected.

The answer depends to a large extent upon the policies which are adopted and the actions taken by Congress and the Administration in connection with wages, public spending, taxes and related matters. The basic ingredients in this picture are the large scale federal budgetary deficits, past and present, the increase in demand deposits of 150% during the war, the threefold expansion in money in circulation, the large backlog of consumer demand plus record savings to finance these purchases, the substantial increase in unit labor costs during the war and the danger of a scramble to fill depleted inventories.

Evidence that a large degree of inflation is already manifesting itself is clear to any who want to see it. In many respects, however, the picture has been clouded by the same developments which lulled many people into a false sense of security in the '20s. Particularly important is the relative stability of wholesale prices and the cost-of-living index during the past few years. These indexes showed relative stability in the latter part of the '20s and this phenomenon was continually pointed to as evidence that no inflation was taking place. The real estate booms in various sections of the country and the stock market boom which furnished the outlets for inflationary bank credit were ignored in much of the analysis at that time.

Wholesale commodity prices and the cost of living index have shown relative stability since the middle of 1943. But during this same period real estate prices, prices of farms and security prices have shown considerable increases. The index of value of farm real estate per acre (by the U. S. Bureau of Agricultural Economics) is now 60% above the level prevailing from 1935 to 1939. A rise of 11% was recorded in the year from November 1944 to November 1945, or almost 1% per month. The Bureau of Agricultural Economics reported in December that "the end of the war appears as yet to have had little effect upon the land market."

The tight situation of housing is well known. In many areas of the country this has been accompanied by sharply rising prices for real estate. John W. Snyder, Director of the Office of War Mobilization and Reconversion states "sharp increases in the price of housing already have occurred. The threat of inflation in this field is the most menacing in our economy . . . authority to control prices is essential if we are to avert further skyrocketing of home prices . . ." It is doubtful whether price control can solve this problem, but the existence of a critical situation cannot be denied.

An inflationary spending spree is visibly under way. The Associated Press reporting (December 10, 1945) on the volume of race-track betting in 1945, stated: "The greatest financial spree in racing history made $1.2 billion business out of betting on the race horses in the United States in 1945. The old fashioned $2 window was just small change this year. The bettors rushed the $10 and up tickets." All of this betting took place after V-E Day and continued after V-J Day. Booming retail sales during the Christmas period furnished additional evidence of the large scale spending taking place.

The National City Bank summarizes the situation in its Economic Letter for December:

"Actually, signs of inflation are present on every hand. We see them in the volume of retail trade moving. We see them in the amount of travel, in the congestion of the railroads and of the hotels. We see them in the difficulty in holding price ceilings, and in the readiness of people to resort to costly subterfuges to get the goods they want when they want them. We see the signs of inflation in real estate. We see them in the stock market, where prices have risen to the highest levels in 8 years. And all this, be it noted, is without use of credit. People have the money and are paying down cash on the barrel.".

Despite the above evidence, many persons continue to profess fear of deflation. If by deflation is meant a price decrease, these forecasts would seem to be completely inadequate. In effect, what the price deflationists are saying is this. During the war we spent up to $100 billion a year on the war effort. A good part of this money was obtained from the sale of government securities to individuals and to the banking system and was reflected in the large increase in individual savings and in bank credit. If prices go down it means that the purchasing power of these savings will be even greater than it is today. This will indeed be a new development in economic history. We will have found the economic spring of eternal youth through the magic waters of large-scale government spending.

It is as foolish as suggesting that the government spend $80 billion a year on ships, ammunition, planes and other war material, then load these goods on the new ships and use them for target practice. To produce these goods we will have paid workers, material suppliers, and others, $80 billion. Part of this total will be recaptured through taxes; the balance would represent additional bank credit and government bond holdings of individuals. We will all be richer in terms of paper.

But if we listen to these economic soothsayers and "panic economists" who insist that today we face deflation, then it follows that we will be even richer than we think we are under those conditions, because not only will we have more paper claims, but prices will go down and those paper claims will thereby be increased in value. Clearly, this is a ridiculous proposition, but no more so than the forecasts made by deflationists in light of the fact that we have been doing exactly this during the four war years.

The basic question remains how far will the inflation go? The actions taken to raise wages will help to determine the distance. The actions taken by the federal government to balance the budget will help to determine the distance. The actions taken to control profits—and hence influence the volume of production—will help to determine the distance. We are sitting on a keg of explosives which can blow up on the slightest provocation. Our problem today is to make sure there are no sparks to set it off. There is still time to keep this inflation within limits, but the sands in the hourglass are running low.

JULES BACKMAN,
New York University.

# What Others Are Saying

## Editorial of the Week

### Give Business a Chance

(The Ottawa Journal)

We have reached the stage where businessmen are too much shoved about, too much meddled with, too much suspected and frustrated. To be a businessman on this continent today, to help in developing the country by producing wealth and work and wages, is to be a mark—an object of suspicion.

Recently Collier's said something on this score worth thought. Listing the multiplicity of laws and controls that harass enterprise, it said:

"There is one type of law, however, which we do not have, and which would not work if we had it. That is a law requiring any businessman or business organization to stay in business against his or its will.

"No law compels Chrysler, Ford, General Motors, Graham-Paige, Hudson, Packard, Willys, et al, to produce automobiles . . . these and other automotive concerns are in business because up to now they can make money out of staying in business—money for their shareholders, their dealers, their employees. But they can quit business any time they feel like doing so."

The time seems to have come for people to consider this. Businessmen are not going to stay in business just for the sake of being in it; are not going to dwell in the shadow of a meddlesome bureaucracy and put up with being harassed by taxes and questionnaires and controls and regulations and with being shoved around and suspected and attacked and made a sort of symbol of evil.

For the exploiter and chiseller there need be no sympathy; nor for the man who says "to hell with the public." But for the honest businessman, the builder, providing work and wages and wealth, treating his workers decently and helping his community and country, there should be sympathy—and common sense.

We in this country talk about an expansion of trade; about exports; about world markets. Does anybody believe we can achieve these things if men of ambition and enterprise are denied chance of rewards for their energy, denied hope of returns on their capital, the while being made targets of abuse by the envious and unthinking?

Canada was built up by private enterprise; by men of pioneer and adventurous spirit who were not afraid to take risks and who were encouraged and acclaimed in risk. Of such men we were proud.

If this country is to prosper, if it is to fulfill the dreams of the old, bold pioneers, if it is to have a population prosperous and employed, then Canadian business, Canadian enterprise and ambition, must be given a chance. It will not get that chance if we go on hamstringing it, frustrating it, cursing it, suspecting it, taxing it, penalizing it, leaving it half bond and half free.

**It is time we made up our minds.**

## Other People's Views

SECRET TARIFF HEARINGS would be intolerable, says **Regina Leader-Post.** Finance Minister Ilsley expressed doubt in the advisability of such hearings being conducted publicly. Public sessions, he is reported to have told newsmen, might tend to restrain frank discussion of any tariff changes. If this is an accurate indication of Mr. Ilsley's attitude, it will be highly disturbing to a great many people.

The suggestion that public hearings might restrain frank discussion is ridiculous. If industrial interests are not prepared to present a case capable of winning public understanding and support, then it can be certain that there is something wrong with their case. And if the Government has anything to hide, the sooner this is known the better. Who, more than the producing and consuming public, has a prior right of full access to the facts?

SCOTS USED TO SAY that there was no such thing as bad whisky; it was merely that some whisky was better than other whisky, **The Printed Word** points out.

The postwar Canadian version is that there is no such thing as cheap whisky; it is merely that some whisky is dearer than other whisky.

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Jan. 19, 1946

# How Can We Make Travel a Major Industry?

## The Question: What steps must be taken immediately to make travel a major Canadian industry?

### Hon. W. A. Buchanan

**Senator, Lethbridge, Alta.**

Canada must first of all develop a nation-wide attitude that the tourist traffic is an industry to be encouraged, not just a cow to be milked. Not only must we provide better roads, better hotel and tourist camp accommodation, but we must provide the tourist with the best food, cooked in distinctive Canadian ways. And we must meet tourists at our borders with a welcome, not with the officiousness we sometimes find.

But first of all comes good main highways connecting with the U. S. border and adequate (and also good) east-west highways to facilitate their movement. To provide these will require Dominion co-operation with the provinces which are responsible for road building—another problem dependent on the proper solution of Dominion-provincial financial arrangements at the conferences now being continued.

* * *

### J. R. Burnett

**Editor, The Guardian, Charlottetown, P.E.I.**

The first step necessary to make travel a major Canadian industry is to improve facilities: Better railway plant, better roads, better and cheaper autos, more and better hosteleries, more and better newspaper advertising where Mom, Dad and the family can read and absorb it with all the other news of the day. And last, but by no means least, the preservation and development of Canadian and provincial characteristics so that visitors may experience something different from what they have been accustomed to at home.

* * *

### E. C. Brooks

**President, Alpine Club of Canada, Vancouver.**

One of Canada's greatest potentials toward making travel a major Canadian industry lies in an immediate and comprehensive program for greater utilization and development of its national parks. We are of the opinion that such a program could best be implemented and co-ordinated if the Parks Department immediately invited representatives from travel bureaus, railroads and tourist associations, mountaineering and other sports organizations and publicity agencies to confer, consider and draw up a co-ordinated program involving transportation facilities and requirements for tourist accommodation available, and desirable recreational facilities and possibilities of our national park system.

* * *

### Frank Brunner, Sr.

**Hotel owner, Yorkton, Sask.**

We must so organize our resources that they will prove enjoyable to visitors. Then carry on an extensive advertising campaign to attract tourists. Capitalize on natural beauties and sports, such as hunting and fishing. Take full advantage of Mounties in attractive uniforms and outstanding courtesies to visitors. Our greatest tourist trade will come by automobile, hence good highways are a No. 1 prerequisite. Nor should we be unmindful of providing suitable hotel accommodation. Comfortable beds, good cuisine, room service, and kindly personal interest in guests, plus distribution of advertising souvenirs and a warm welcome and regretful farewell, are essential.

* * *

### W. Russell Brown

**Alderman, Port Arthur, Ont.**

Finish the trans-Canada highway along the north shore of Lake Superior—the world's largest freshwater sea. Establish ample supervised tourist accommodation along the shore. Build at least six cruise ships and establish services between Cleveland, Detroit, Chicago and Canada's Georgian Bay and Lake Superior ports. Shipyards and trained men are available to build and man the ships, and hundreds more would be employed in the operation of resorts necessary to accommodate the visitors. Canada has a great undeveloped asset in the Georgian Bay and Superior areas and dividends in health and happiness, as well as in dollars will follow the opening of this tourists' paradise.

* * *

### A. R. Coffin

**Editor, The Weekly News, Truro, N.S.**

To make travel a major Canadian industry, all governmental controls regarding operations of railways, steamships and buses should be relegated to the dark ages, so that carriers be given the green light to expand and carry on. They have been good advertisers and business solicitors and, if left to carry on, are bound to create maximum passenger travel. The Government's Canadian travel bureau should be made a strong arm with an aggressive program of activities, especially to automobile travel. A more complete travel bureau line of sponsored reliable overnight homes from coast to coast, will be an incentive to the automobile traveller.

* * *

### Stuart F. Cork

**Supervisor in course of Institutional Management, Toronto.**

Travel is already a major industry. To retain it I believe we must provide increased travel facilities, which at present are overcrowded. We must also have improved accommodations for tourists at resorts. An educational campaign on raising the standard of service to tourists would help. I suggest a series of pamphlets or tests for tourist operators on various aspects of tourist business, be published.

* * *

### D. Leo Dolan

**Chief of Canadian Travel Bureau, Ottawa.**

Canada's tourist attractions are invaluable assets at this time when the world seeks to turn from the trials and heartbreaks of a long and vicious war. To capitalize on these, we must promote a vigorous advertising campaign to inform world travellers of their availability. We must extend and improve our motor roads. Our accommodation must not only be increased but must be such as to provide the utmost in comfort and ease of living. Our products of field and farm should be cooked in newer ways, served more appetizingly, not only in a few famed restaurants, but in every place where tourists must eat.

* * *

### Harry Fisher

**Secretary, Chamber of Commerce, Geraldton, Ont.**

I would suggest immediate steps to pave a trans-Canada highway where dirt roads now exist, particularly in our own province. New roads should be built opening up the vast north, making it accessible for tourists to hunt and fish, as well as opening it up for forest products expansion. Proper tourist lodges should be erected, in addition to service stations established either by oil companies or governments. Returned soldiers should be instructed in proper management, and experienced guides made available for tourists requiring their services. New tourist maps should be printed and distributed. All points of interest should be identified, making travel a pleasure, rather than a cross-country puzzle.

* * *

### A. L. Horton

**The Observer, Vegreville, Alta.**

Military movements will probably prevent railways from undertaking much in the way of tourist travel for a long time yet. In addition, railways will need considerable time to put their rolling stock in order, after the war strain. A program of highway construction is the immediate need, especially here in the West where our highways are nothing to boast of. Alberta promises a good program and we have hopes. Air travel is out of the question; it is too expensive for the ordinary tourist. Dominion and provinces should unite in highway construction of the best type. It can be done if they do not quarrel too much over proportions of cost.

* * *

### G. A. Hunter

**Managing editor, The Daily News, Prince Rupert, B.C.**

If travel is to be made a major industry—or might we say an industry of even greater importance in Canada?—there are several vital requirements which seem elementary enough. Canada's railways must be modernized extensively—the Dominion has lagged behind the United States in planning this, it seems. Highways must be extended and improved, particularly in the northwest, where again they compare very unfavorably with those of the United States. Steamship companies must have speedier and better plans for replacement of their coastal passenger fleets, which have been badly depleted by war and were getting antiquated anyway. A new feature of coastal steamship services which must be developed, will be that of car-carrying facilities, particularly along the Pacific coast northward from Vancouver through Prince Rupert to Alaska, so that full use may be made of the transcontinental highway systems without long stages of return driving. Air services, also, are capable of expansion in furtherance of the vast strides made in aircraft development during the war. Provision of new and up-to-date hotel accommodation and organization of the country's great outdoor hunting and scenic resources to make them available to the travelling public should also loom largely in the development of the travel industry.

* * *

### Hon. A. J. Hooke

**Provincial secretary, Edmonton, Alta.**

Immediate steps which, in my opinion, should be taken to make travel a major Canadian industry are:

1. Improvement of accommodation capacity.

2. Improvement of highways and highway services including service station facilities, information and accommodation bureau facilities.

3. Co-ordinated publication of data pertaining to scenic attraction accommodation standards and rates and other literature to assist the visitor.

4. Installation or improvements of airport facilities at or near vacation resorts.

5. Extensive effective publicity, through all available types of media.

* * *

### R. P. MacLean

**Editor, Courier, Kelowna, B.C.**

First are needed facilities to handle tourist traffic. Primary considerations must be good and uniform roads across Canada and hotels and tourist camps brought to a uniform standard, considerably higher than the present Canadian average. Then we should have an educational program to inform Canadians how to cater to and hold tourist business. Then, of course, we must have the usual publicity efforts to increase the flow.

* * *

### H. E. Rice

**President, Muskoka Tourist Development Association, Huntsville.**

I would suggest nine essential factors to make travel in Canada a major industry.

1. Construction and beautification of through, dustless highways from ports of entry into Canada, to all centrally located tourist areas. This would encourage travel, and stimulate action in better and greater volume of accommodation.

2. Development of minimum standards of accommodation and services through provincial licensing of all tourist operators.

3. Government encouragement in opening of promising new areas, through liberal subsidizing of road construction, following careful survey of undeveloped areas.

4. Activity in restocking of inland waters, ensuring good fishing, and encouragement of all forms of health recreation for both winter and summer.

5. Preservation and beautification of historic points of interest, with road accessibility, and wide distribution of attractively prepared advertising literature by the province.

6. Schools of training for both management and personnel. Placing of emphasis on development of the spirit of courtesy and friendliness toward all guests, whether through casual contact or host relationship.

7. Development of a cuisine distinctly Canadian, with standard Canadian dishes, nationally advertised.

8. Gradual elimination of combustible materials, and substitution of fireproof buildings for frame construction.

9. Development of a national consciousness of the value of tourist promotion, as a factor in fostering international goodwill and as a stimulus to economic stability. This could be done through a much broader interest in discussion by the Canadian press.

* * *

### E. G. Rowebottom

**President, Canadian Association Tourist and Publicity Bureaus; Commissioner British Columbia Government Travel Bureau, Victoria.**

Travel is already a major industry, the economic importance of which cannot be overestimated. I believe it faces the stiffest competition in history. The immense backlog accumulated in war years is a target for every selling agency. Canada need fear no competition, but must take nothing for granted. The time is ripe for a vigorous, concerted newspaper, magazine campaign and for education of the public to the fact that travel industry benefits everybody. I feel, too, that Canada must retain its individuality as one of its chief assets, with the courtesy and hospitality which is traditional.

### D. B. Wallace

**Assistant to vice-president and general manager, Canadian Pacific Air Lines, Montreal.**

Tourist travel has long been one of Canada's major industries; and with 20,000,000 visitors expected this year, this nation stands ready to handle a record vacation business. The Canadian Pacific, which pioneered Canada's high class tourist business at such world-famous resorts as Banff and Lake Louise, is preparing for a record season and is modernizing and building new rail equipment and restoring train services. This company also plans to advertise Canada's tourist attractions extensively at home and abroad this season. This year Americans are expected to spend $10 billions on travel and Canada will share substantially in this business. However, competition is becoming keener, especially from Mexico and Latin American countries; and Canadian interests should organize and advertise their services aggressively, to get maximum returns.

* * *

### Hon. G. Arthur Welsh

**To be Ontario's first Minister of Tourist and Recreation, Toronto.**

Travel is already a major Canadian industry. The immediate necessity is more and better facilities for our visitors. Ontario intends to embark upon a program to this end. Proof of tourism's importance is the impending formation by the Ontario Government of a department concerned wholly with its development, to be directed by a member of the Cabinet. In order

(Continued on page 11)

**R. B. PATTINSON**

**has been appointed vice-president and assistant general manager of J. J. Gibbons, Ltd.**

## BUSINESS THIS WEEK

| | DEC. | NOV. | OCT. | SEPT. | Year Ago |
|---|---|---|---|---|---|
| THE FINANCIAL POST PRODUCTION INDEX (1) | .... | 199.6 | 209.5 | 215.3 | 242.9 |
| GOVERNMENT FINANCE (millions of $) | | | | | |
| Dom. war expend. | .... | 137.6 | 170.1 | 169.0 | 80.8 |
| Dom. total revenue | .... | 174.1 | 246.3 | 225.9 | 155.2 |
| Dom. total expend. | .... | 316.0 | 301.1 | 338.3 | 170.3 |
| MERCHANDISING | | | | | |
| Dept. store sales index no. (1) | .... | 258.9 | 220.9 | 202.1 | 225.3 |
| ■Retail sales index no. | .... | 213.0 | 203.8 | 187.2 | 190.4 |
| ■Wholesale sales index no. | .... | 221.5 | 236.8 | 217.9 | 195.3 |
| ■Country store (% change pr. yr.) | .... | +9.3 | +11.2 | +3.6 | .... |
| FINANCE | | | | | |
| ■Dividend payment index (5) | .... | 140.0 | 140.0 | 140.0 | 129.9 |
| Bank debits (1) | .... | .... | 191.5 | 197.3 | 164.3 |
| ■Bank deposits index (1) | .... | 230.2 | 226.1 | 224.1 | 212.8 |
| Money supply (millions $) | .... | .... | 6,726 | 6,403 | 6,038 |
| NEWSPRINT % OF CAPACITY | | | | | |
| Production ratio | .... | 82.7 | 82.8 | 80.8 | 70.0 |
| Shipment ratio | .... | 82.3 | 82.0 | 82.9 | 82.0 |
| RAILWAY FREIGHT LOADINGS | | | | | |
| Tons (D.B.S. index) | .... | 156.2 | 144.5 | 147.4 | 164.0 |
| Cars (D.B.S. index) | .... | 138.2 | 129.1 | 119.4 | 140.8 |
| COST OF LIVING | | | | | |
| ■D.B.S. index | 120.1 | 119.9 | 119.7 | 119.9 | 118.5 |
| EMPLOYMENT INDEX, D.B.S. | | | | | |
| All industries | .... | 171.1 | 168.7 | 172.8 | 183.8 |
| Manufacturing | .... | 186.3 | 188.4 | 198.6 | 221.3 |
| Payrolls (June 1/41=100) (2) | .... | 139.3 | 137.8 | 141.1 | 151.0 |

| RAILWAYS—(000's omitted) | 1946-45 | 1945-44 | 1946-45 Jan. 1 to date | 1945-44 Jan. 1 to date | % Change |
|---|---|---|---|---|---|
| ■Carloadings (week Jan. 5) | 50.7 | 50.2 | 50.7 | 50.2 | +0.9 |
| ■C.P.R. gross rev. (Jan. 7) | 4,469 | 4,523 | 4,469 | 4,523 | —1.2 |
| C.N.R. gross rev. (Oct.) | 36,631 | 37,496 | 363,951 | 365,644 | —0.5 |
| C.N.R. net rev. (Oct.) | 5,426 | 5,172 | 67,499 | 66,383 | +1.4 |
| C.P.R. gross revenue (Nov.) | 25,764 | 27,165 | 291,090 | 293,279 | —0.7 |
| C.P.R. net revenue (Nov.) | 3,324 | 6,030 | 32,837 | 38,410 | —4.5 |
| IRON AND STEEL (000's omitted) (Nov.) | | | | | |
| ■Pig iron production (tons) | 134.7 | 147.0 | 1,642.7 | 1,713.5 | —4.1 |
| ■Steel production (tons) | 208.0 | 269.0 | 2,662.0 | 2,780.9 | —4.3 |
| CONSTRUCTION (000's omitted) | | | | | |
| Contracts awarded (Nov.) $ | 44,998 | 18,902 | 383,246 | 279,232 | +37.3 |
| Building permits (Nov.) $ | 15,505 | 9,067 | 178,894 | 120,827 | +49.0 |
| ■Cement prod., bbls. (Oct.) | 1,103.7 | 878.2 | 7,488.4 | 6,414.4 | +16.1 |
| AGRICULTURE (000's omitted) | | | | | |
| ■Flour prod., bbls. (Nov.) | 2,285 | 2,307 | 22,920 | 22,309 | +2.7 |
| Flour exp., bbls. (Nov.) | 1,000 | 982 | 12,765 | 12,696 | +0.5 |
| Wheat exp., bush. (Nov.) | 38,316 | 23,183 | 291,574 | 264,456 | +10.3 |
| ■Cattle sales (Dec.) (4) | 202.3 | 165.0 | 2,017.3 | 1,507.6 | +33.8 |
| ■Hog sales (Dec.) (4) | 464.2 | 730.0 | 5,862.1 | 8,863.2 | —33.9 |
| SEA FISHERIES (000's omitted) | | | | | |
| Catch, cwts. (Oct.) | 1,295 | 873 | 9,809 | 7,078 | +38.6 |
| Landed value (Oct.) $ | 3,695 | 2,534 | 43,350 | 25,474 | +70.2 |
| NEWSPRINT (000's omitted) | | | | | |
| Production, tons (Nov.) | 299 | 257 | 2,982 | 2,746 | +8.6 |
| Exports, tons (Nov.) | 298 | 259 | 2,973 | 2,770 | +7.3 |
| MINING AND OILS (000's omitted) | | | | | |
| ■Coal prod., tons (Oct.) | 1,194.4 | 1,528.3 | 13,138.0 | 13,854.7 | —5.1 |
| Gold rec. (fine oz.) (Oct.) | 223 | 223 | 2,127 | 2,421 | —12.1 |
| ■Petroleum prod. (brl.) (Oct.) | 682.8 | 878.1 | 7,243.6 | 8,364.5 | —13.4 |
| ELECTRICAL POWER OUTPUT (000,000's omitted) (Nov.) | | | | | |
| Total monthly kw.h. | 3,237 | 3,440 | 36,812 | 37,110 | —0.8 |
| FOREIGN TRADE (thousands of $) | | | | | |
| ■Imports (Nov.) | 142.4 | 141.6 | 1,464.6 | 1,631.7 | —10.3 |
| Exports (Nov.) | 238,637 | 312,691 | 2,983,504 | 3,173,074 | —6.0 |
| FINANCE (millions $) | | | | | |
| ■Bank debits (Nov.) | 8,581 | 6,671 | 62,301 | 55,614 | +12.0 |
| ■Bond sales (Dec.) | 196.3 | 145.8 | 8,125.1 | 7,624.0 | +6.6 |
| Life insurance sales (Nov.) | 76,946 | 53,266 | 623,913 | 566,499 | +10.1 |
| OTHER INDUSTRIAL FACTORS (000,000's omitted) | | | | | |
| Shoe prod., pr. (Oct.) | 3.7 | 3.1 | 32.2 | 29.5 | +9.2 |
| Cotton consump., lb. (Nov.) | 13.5 | 14.3 | 131.0 | 132.6 | —1.2 |
| Cigarette cons. (no.) (Nov.) | 1,423 | 1,044 | 12,641 | 10,635 | +18.9 |

(1) Base period 1935-39=100.
(2) All industries.
■New items for week.
(4) Total at yards and plants.
(5) Nesbitt, Thomson est.

EXPERIENCE THAT COSTS YOU NOTHING

Gaining experience in investment matters has often proved costly for the individual investor. This organization, through any of its offices, offers its clients the experience of over half a century.

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The interplay of innumerable financial forces calls for constant, unremitting study which we undertake for the benefit of our customers.

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Phone 3630

*"Truck your load back tomorrow, buddy . . . traffic's a Chinese puzzle here today"*

**Snarled-up streets cost Canada millions of dollars every year**

If the men who laid out most of our cities were doing the job over right now, we probably would have roomier streets and highways and far less of today's confusion and congestion.

The motor car and the motor truck obviously weren't taken into account—because they didn't exist—when most of our present municipalities started growing up.

Meanwhile, business areas, as well as railroad, steamship and other public transportation terminals have become too solidly situated where they are, in most communities, to warrant drastic changes.

**A way out must be found**

Street traffic will grow enormously now that the war is over and men start returning to civil life and motor car and truck manufacturing is resumed.

But ways must be found to take care of that increased traffic or some cities will progress while others slow up.

Fortunately, far-sighted men in business and industry, as well as in local, provincial and federal government, have already accomplished much, at the planning stage.

**Most people want to help**

Everyone who uses our city streets, either as motorist, pedestrian or rider of public transportation facilities, knows that congested traffic creates a constant personal problem. It impedes deliveries, causes time to be lost going to and from work and shopping, not to speak of the accident hazards it creates.

As one of the pioneers in the field of highway transportation, Studebaker has learned that public insistence is always the most effective spur to improvement in traffic conditions.

It is to help stimulate more widespread interest in the problem at this time that we are publishing this and other advertisements.

Studebaker
PIONEER AND PACEMAKER
IN AUTOMOTIVE PROGRESS

★ BUY VICTORY BONDS ★

STUDY NO. 7

—a review of the position and prospects of

HOWARD SMITH PAPER MILLS, LIMITED

Copies of this circular may be obtained on request.

PREVIOUS STUDIES
No. 1—Minnesota & Ontario Paper, Dec. 15, 1943
No. 2—Canadian Breweries Ltd., Feb. 14, 1944
No. 3—Dominion Tar & Chemical Co., May 15, 1944
No. 4—British Columbia Packers Ltd., June 14, 1944
No. 5—Canadian Breweries Ltd., Nov. 22, 1944 (Revised to date)
No. 6—Standard Chemical, July 30, 1945

FAIRBANKS, KIRBY & CO.
MEMBERS MONTREAL STOCK EXCHANGE
BElair 1941*
Royal Bank Building — 360 St. James St. W.
Montreal

POWER
that makes
SALES POWER!

The 1941 Census showed that 20% of Canada's rural homes have electric power. But, today that figure has risen substantially — sharpened by overwhelming demands by farmers for more electrification as a time and labor saver.

More electric power in turn increases the demand for all sorts of appliances. In other words, a tremendous market for electric goods exists in rural Canada —a market backed up by high farm incomes and ready spending dollars.

That's merely ONE example of the terrific rural buying potential today. That's why we ask—"What are you doing about it?" Isn't it time to plan a vigorous rural advertising campaign?

Remember, ONE magazine — the Family Herald and Weekly Star — is waiting to introduce you to more than 300,000 of the best rural homes right across Canada. Top farm coverage without duplication!

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL Established 1870 CANADA

**Inventory Time**

The first few weeks of the year is a good time to take an inventory of your investment portfolio.

A well diversified list of securities will be a very valuable asset now that our wartime economy has changed to a peacetime economy.

The facilities of our organization are at your disposal and we offer an independent and unbiased opinion on any of your holdings.

**C. C. Fields & Co.**
200 BAY STREET WA. 4731 TORONTO
*Branches:* Hamilton, Kingston
Members, The Toronto Stock Exchange
*Private wire connection to Montreal*

**THE ALBERTA PACIFIC GRAIN CO. (1943) LTD.**
Operators of Country Elevators
in
Alberta and Saskatchewan
*Terminal Elevators at*
Vancouver and
Port Arthur
*Offices:* Calgary and
Winnipeg

**HALLET & CAREY LIMITED**
GRAIN SHIPPERS AND EXPORTERS
GRAIN FUTURES
Owners and Operators
Fort William Terminal Elevator Co. Ltd.
and Powell Transports Ltd.
Head Office—563 Grain Exchange, Winnipeg, Man.
Branch Offices—[illegible] William, Ont., Montreal, Que.

GRAINS
TELCO
**TORONTO ELEVATORS**
*Limited*
MERCHANTS SHIPPERS AND EXPORTERS
MANUFACTURERS OF MASTER FEEDS, LINSEED AND SOY OILS AND MEALS.

**LAKE OF THE WOODS MILLING COMPANY LIMITED**
Millers of
FIVE ROSES FLOUR
HEAD OFFICE
Montreal, Que.
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*Branches from Coast to Coast*

**McCABE BROS. GRAIN CO.**
*Limited*
*Canada's Most Complete Farm Service*
SPECIALISTS in FORAGE AND PEA SEEDS
WORLD-WIDE EXPORT FACILITIES
VICTORIA *The Fresh* FEEDS BALANCERS MINERALS
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DULUTH · PORT ARTHUR · SASKATOON · WINNIPEG · REGINA · EDMONTON · MINNEAPOLIS

**THE VICTORIA TRUST & SAVINGS CO.**
LINDSAY · ONTARIO
*Established 1895*
ASSETS OVER $11,000,000.00
Special Attention to Administration of Small Estates
3¼% Allowed on 3-5 year time deposits.

**Enterprise at Work—XVIII**

# *He Found a New Field in Machinery To Build a Million Dollar Business*

**In 1930, Wilbert Copeland Wood had a degree in agricultural engineering, $500 and an idea. He had lost his job when the depression started and a manufacturer had dismissed his idea as "utterly impractical."**

**With the back shed of his boarding house as a workshop, Wood put all his capital into manufacture of an electrical feed grinder, sold it and made some more. Later he added oat rollers, milk coolers and electric fences—all implements designed to bring mechanical power to the aid of the farmer.**

**From that start has grown the W. C. Wood Co., now located in Guelph, which last year did a $1 million business and is still growing. The story of its growth is the 18th in The Post's series on Enterprise at Work.**

Sixteen years ago, Wilbert Copeland Wood was an engineer out of a job. The depression had begun and the likelihood of finding satisfactory employment was dim. The alternative of going back home to Saskatchewan and admitting failure was equally unpalatable. His only assets were $500 and an idea he had tried to sell to Canada's biggest farm implement manufacturers. They had dismissed it as impractical.

MR. WOOD

From that unpromising start has grown the W. C. Wood Co. of Guelph, Ont., which last year did a million-dollar business in the manufacture of electrical farming equipment—feed grinders, oat rollers, milking machines, milk coolers and electric cattle fences.

There is dramatic irony in the fact that the company which turned down Wood's idea was the same firm that dropped him from the payroll in 1930 and virtually kicked him into the manufacturing business. The idea on which they differed was the electrical feed grinder, still the mainstay of his business.

Wood was born in Wellington County, Ont., in 1896 and educated in rural public schools. He left school to work on his father's farm, but when the family moved to Saskatchewan in 1912, decided to go back to school again. He received his high school education in Davidson, Sask., and went on to take an associate course in agriculture at the University of Saskatchewan.

### He's an Agricultural Engineer

By the time he had completed the course, which did not carry a degree, Wood was 26 years old. But he was so enthused about the possibilities of science applied to agriculture he enrolled in a degree course in Agricultural Engineering at the same university and wound up doing research work and teaching Farm Machinery there from 1926 to 1928.

"Agricultural engineering was simply an agricultural course with a course in mechanical engineering superimposed on it" he explains, "but the combination was an invaluable one."

The more Wood learned about mechanical engineering, the more convinced he became that engineering ingenuity should be applied to easing the farmer's burden of work. He found that prairie farmers had plenty of mechanical assistance available for their fields but none to help with the arduous work around the barns.

During his two years on the U. of Sask. faculty, Wood experimented with windmills as a possible source of cheap electric power for farms. He was unable to evolve a practical windmill generator, but wound up his research more convinced than ever that electric power somehow should be harnessed to help the farmer.

In 1928 Wood came to Toronto to work for an implement manufacturer as field research engineer.

"My job was to test our competitors' products as well as our own," he recalls, "and to report to the management the weaknesses of our machines and the good points of the others. It didn't make for the happiest relations with other members of the staff when I was continually finding shortcomings in equipment they designed, and when the depression made itself felt in 1930, I think everyone at the plant was a little relieved when they let me out."

### No Jobs, So He Made One

When he lost his job, Wood took one look at the "Employment Wanted" columns of Toronto newspapers and decided that with so many men looking for jobs they'd be next to impossible to find. He had $500 in cash and good health and decided that the best thing he could do with his time would be to work on the electric feed grinder he had already designed and which implement men said wouldn't work.

"I made my first designs in the bedroom of my boarding house," he relates. "Then I got a Toronto machine shop to cast and machine the pieces."

When the pieces came back from the machine shops, Wood assembled his first feed grinder in a back shed, loaded it in the rumble seat of his old roadster and started out to sell it.

"Selling was a tougher job than I'd expected," he now says. "These Ontario farmers had never heard of electrical grinders. Most of them would just laugh good-naturedly and tell me it wouldn't work. Once I even installed one, put it in operation and left it with the farmer for a month. At the end of that time he told me it had worked perfectly but that his friends had told him I'd be out of business in a year or two and he wouldn't be able to get his machine serviced. So I took it out again."

Wood's first sale was to a farmer who cautiously spread his payment over a full year, just in case the machine should break down. But at least it was a sale and provided the impetus Wood needed. Fifteen years later the grinder was still in operation on the first customer's farm.

### Selling the Farmer Was Tough

"I'd never sold anything before in my life," he admits now, "and didn't like the job of selling except that I was convinced I had something the farmer needed. The farmers used to make fun of my little grinder. They'd say the old sow could eat the chop faster than my machine could grind it or else that a 1½ h.p. motor couldn't do the job because they'd tried choppers with 3 and 5 h.p. engines. I explained why they wouldn't work and explained the device I'd built into my machine to overcome those difficulties. I answered the same arguments so often I think I must have talked feed grinders in my sleep."

With his first sale made, Wood opened up a little machine shop in a vacant candy store on Howard Park Avenue in Toronto. A lathe, a drill press, an emery grinder and a vise were his total equipment, but by working 16 to 18 hours a day he produced grinders.

"One lad came to me and said he wanted to be a machinist and would work for nothing just to learn," Wood recalls. "He got nothing and so did I for about a year. But we both got experience."

In 1932 Wood moved to an old bank building in Toronto and there designed and produced his first oat roller to keep the feed grinder company and add another string to his bow. Two friends, both out of work, joined the staff as salesmen on straight commission work and a few others came in on a part-time basis. The production staff had grown to six, even though wages were extremely low—ranging from $10 to $12.50 a week. Wood took the same pay as his staff and everyone stuck to the job because they could see success ahead.

That winter Wood developed a milk cooling machine which sold well the following spring and in 1933 the firm did a $36,000 business. Outside capital and bank loans helped to provide funds for the expansion necessary to take care of the growing volume.

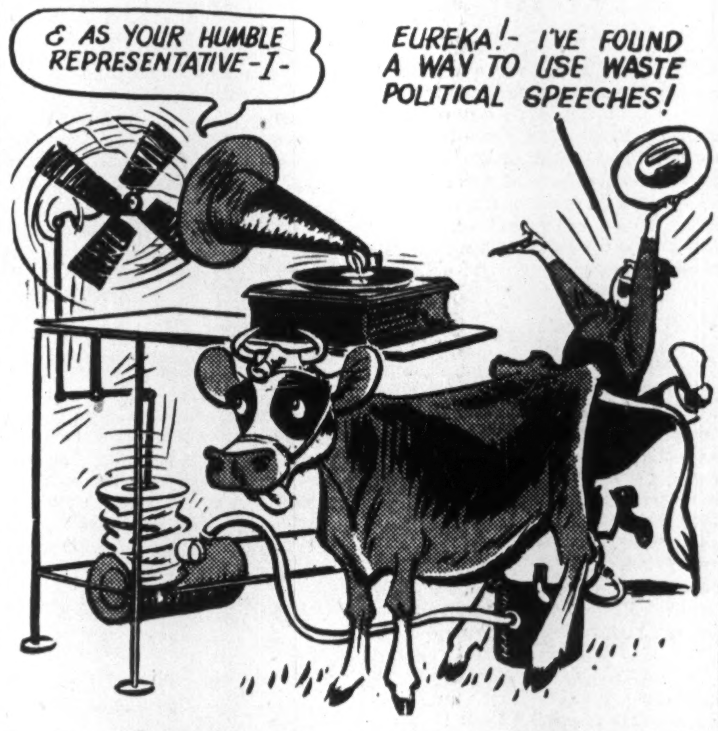
### Bank Helps With Loans, Advice

"My bank manager helped me from the start," Wood reports. "Even when the risk looked too great for the bank to make loans, he gave me advice on how to run the financial end and went over my books for me, pointing out any weak spots. I used my credit carefully and as a result I've always enjoyed complete confidence from my bank and assistance whenever it was needed."

By 1936 the business began to grow as farmers found themselves with more purchasing power and from then to the present day each year witnessed a substantial increase in sales. By 1938 the gross business was over $100,000. In 1941 Wood bought a factory building in Guelph and moved his business there. His staff of workers had grown to nearly 50 and wages were in line with those paid for similar work anywhere else in Canada.

"We believe in keeping as sound a balance as possible in the matter of wages and profits," he declares. "I believe that, once a business has established itself, increased profits should be divided three ways—one-third to the business, one-third to labor and one-third to the consumer in the form of lower prices."

Today Wood employs nearly 100 in his factory and believes the agricultural market has barely been tapped. His research department is experimenting with new machines to help the farmer with his chores and Wood declares the company has "more new ideas than we can hope to develop." Between new products and the application of electric power to present methods of operating, he is convinced there is much ahead in his field.


& AS YOUR HUMBLE REPRESENTATIVE-I-
EUREKA!- I'VE FOUND A WAY TO USE WASTE POLITICAL SPEECHES!

**For two years Wood experimented with windmills as a possible source of cheap electric power for farms.**

"If I were out of a job today," he insists, "I'd find something to make and start all over again. I think I'd have more courage to get out and sell it, too. There's planty of opportunity for small businesses in Canada. All that is needed is someone with sufficient faith in an idea to go out and do it, even though he knows it can't be done."

# Flow of Grain Slows Down

**From Our Own Correspondent**

WINNIPEG—Overseas exports of Canadian wheat have been at a much reduced rate since the close of navigation cut off shipments from Montreal. Shipments from Halifax and Saint John are restricted by the capacity of those ports and by the limited number of vessels there. And facilities and cargo space available at U. S. ports are largely taken up by shipments of American wheat.

Under present conditions, with the grain trade largely conducted through government agencies, there is not the usual peacetime flexibility of operation, which would permit substitution of low-priced Canadian wheat for higher-cost American wheat.

At the Pacific coast wheat shipments have not held up to expectation, particularly because the hoped-for number of vessels have not been available. Much of the available freight space has been taken up with lumber, and the only full wheat cargoes for the Atlantic have been for continental destinations. Approximately 500,000 bushels were shipped during December to Russia and about two million bushels to India.

Elevators in Manitoba and Saskatchewan are under pressure from the Canadian Wheat Board to keep wheat fully shipped out to the Lakehead in order to get an accumulation of stocks for the opening of navigation on the great lakes. Some continuous rail movement of wheat is in progress from the Lakehead to eastern destinations, as mills are trying to keep their stocks from being depleted; but arrivals at terminals considerably exceed shipments. Wheat is tending to accumulate in Alberta country elevators, as it is reserved for shipment by the Pacific route and loading to the coast do not keep pace with farm deliveries.

## Bond Redemptions

| Bond Issues: | Rate | Year | Due | Price |
|---|---|---|---|---|
| B. C. Pwr. Corp. | 4½% | 1960 | Jan. 15 | 102½ |
| ‡Can. Utilities .. | 5% | 1955 | Mar. 1 | 103 |
| ‡Dom. Steel & C. | 6½% | 1955 | Mar. 1 | 110 |
| ‡Fed. Grain ..... | 6% | 1949 | Feb. 23 | 102 |
| Rio De Janeiro Trams ........ | 5% | 1958 | Apr. 1 | par |

‡All outstanding bonds.

## Investment Trusts

| | Bid | Asked |
|---|---|---|
| Affiliated Funds ........... | 4.92 | 5.38 |
| Can. Int. Trust ............ | 4.50 | 4.95 |
| Can. Invest. Fund ......... | 4.90 | 5.45 |
| Can. Investors ............. | 7.50 | 9.00 |
| Commonwealth Int. ........ | 4.09 | 4.49 |
| Corporate Inv. ............. | 8.70 | 9.35 |
| Trans-Canada (A) .......... | 13.65 | ... |
| Do. (B) .................... | ... | 13.50 |

**PROVINCIAL TRANSPORT CO.** has declared a semiannual dividend of 25 cents, payable Feb. 27 to stock of record Feb. 8, placing the stock on a 50-cents annual basis against 40-cents annual basis previously.

**JAMES RICHARDSON & SONS**
LIMITED
*Grain Merchants*
*Shippers and Exporters*
HEAD OFFICE · WINNIPEG, MANITOBA
OFFICES THROUGHOUT CANADA

*We Manufacture*
**Envelopes**
*for every purpose*
**Barber-Ellis**
of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

**North Van Ship Repairs Limited**
Announce
to business associates and friends
that
Effective January 1st, 1946
the company's name
is being changed to
**Pacific Drydock Company Limited**
Ownership, management
and location remain
the same.
★
A. C. BURDICK, President
★
DRYDOCKS, PLANT
AND EQUIPMENT
AT
NORTH VANCOUVER

**MONTREAL CURB MARKET** announces the following stocks admitted to tarding on the listed section: **Steeloy Mining Corp., Ltd.**, 3,000,000 shares no par value; **Lingside Gold Mines, Ltd.**, 3,500,000 shares, each $1 par; **Colomac Yellowknife Mines, Ltd.**, 3,500,000 shares, each $1 par.

**Western Grain Co. Ltd.**
275 Country Elevators and Terminal Elevator
at Fort William
SERVING THE PRODUCERS
OF THE PRAIRIE PROVINCES

1871 1945
**Confederation Life**
**Reports to Its Policyowners For the Year 1945**

| | |
|---|---|
| Net Investment in War Bonds during 1945 | $ 22,554,241 |
| Total Invested in War Bonds of Allied Nations | 104,871,652 |
| Paid to living policyowners | 9,390,108 |
| Paid to beneficiaries of deceased policyowners | 4,204,672 |
| New Business | 76,435,969 |
| Increase in Business in Force | 50,436,493 |
| Total Business in Force | 621,950,297 |
| Surplus now stands at | 14,329,243 |

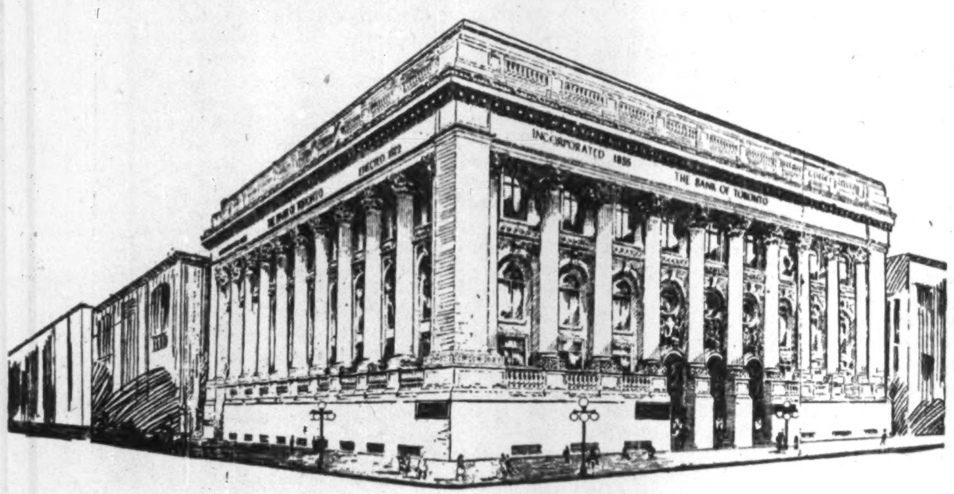
The results for the year have been most satisfactory and the Association has entered the post-war period in a much stronger position than at any time in its history.

Gain in Insurance in Force largest in its history
Premium Income increased
Cost of Operation continues low
Mortality again very low
Surplus Position improved
Group Welfare Plans increased in number and amount

Every policyowner is invited to attend the annual meeting of the Association which will be held at Head Office, 105 Victoria Street, Toronto, on Tuesday, January 22, at 11 a.m.

*A copy of the full Annual Report will be gladly mailed upon request.*

STRENGTH • SERVICE • SECURITY
*Since 1871*
**Confederation Life Association**
HEAD OFFICE TORONTO



# THE BANK OF TORONTO

## Post-War Direction of Buying Power into Channels that Create Employment Urged by President F. H. Marsh

### ADEQUATE EXPORT MARKETS A PERMANENT NECESSITY

It is with a deep sense of loss that I refer to the passing in April last of Mr. Paul J. Myler.

Mr. Myler became a Director of the Bank in 1916 and was elected Vice-President in 1935, which position he held until the time of his death. He maintained a keen interest in the Bank and rendered valuable service in the promotion of its interests throughout the entire period of his office.

He will long remain in the memory of the Directorate who were privileged to serve with him and by whom he was held in high esteem.

In October last Mr. R. J. Cullen, Chairman of International Paper Company and a member of the Executive Committee of Canadian International Paper Company, joined our Board.

Mr. Cullen, who is widely known as an outstanding industrialist, has long been prominently identified with the pulp and paper industry. We welcome him as a highly desirable addition to the Board.

### Strong Position Maintained

The Annual Statement presented to you today and on which the General Manager has commented in detail, shows earnings well maintained and a substantial increase in assets which are at an all-time high.

The figures throughout indicate expansion and the maintenance of our accustomed sound position.

For six years we looked forward to the time when war would be over, and we could once again engage in the activities of normal life. Although the horrors of actual warfare have ended, who can deny that today's most urgent need is for establishment of some international body which will ensure that war, with all the shocking consequences now made possible by the progress of science, will no longer occur.

### Peace — a World Organization

What formerly was an inherent desire of all mankind for everlasting peace, has become a prime necessity. That fact is recognized by responsible statesmen and citizens, but the nationalist sentiments and patriotisms which have been built up through many centuries are not easily abandoned, and the new trend towards international co-operation has still to be translated into some practical agency which will provide the necessary minimum of world government.

This is the dominant thought of the postwar period, but because of the sudden termination of the Japanese war and the consequent absence of the transition period which was expected to provide an opportunity for partial and gradual conversion to normal conditions, other problems have come upon us almost overnight.

### Reconversion—A Problem for Private Enterprise with Government Co-operation

Plans have had to be sharply revised with a view to prompt yet orderly abandonment of wartime controls and restrictions, and a quick return to production for civilian use. The handling of this difficult situation has brought many controversies, not only on the matter of timing but also as to the desirability or otherwise of retaining in our normal life some of the devices of the wartime period. The answer in the main is that, as long as man is essentially free in his economic as well as in his political life, then his demands must determine the nature and in some degree the volume of industrial production. But politically there is a persistent effort to make an ever larger proportion of the citizen's life conform to governmental prescription, and it seems that at least some of the people are willing to endorse this policy for the sake of the security which it is supposed to provide. However, the practical necessity of leaving both production and distribution mainly in private hands is generally recognized by Canadians. The problem of reconversion is primarily one for private enterprise working for the general good of all with the co-operation and the assistance of government.

### Taxation Should not Penalize Thrift and Enterprise

Inseparable from the question of government ownership and government control is that of taxation. Its heavy burden arises from war costs and other accumulated obligations, from losses incurred through public ownership, from the narrowing of the tax base through exemptions, and from the vast civil establishment operated for general government. Any progressive economy requires a high degree of productive efficiency and a substantial degree of saving, both of which are possible only under the stimulus of adequate incentives. Yet we place a considerable part of our activities outside the area in which these incentives can take full effect. The income and excess profits tax rates have created, in both individuals and corporations, a marked desire for safety in preference to the risk which would be involved in justifiable industrial expansion. Thus indeed new avenues of employment are restricted. Under the stress of war, our tax methods were permeated by the principle of catch as catch can. To continue such imposts would mean expecting too much of too little, and one of our first domestic concerns is a radical reform of our tax system with a view to setting a reasonable level of taxation and choosing levies which will allow adequate scope for both enterprise and thrift.

### Wartime Practices Cannot be Continued

The thought is expressed by some that the practice of financing vital wartime needs by heavy taxation and by governmental borrowing can and should be continued indefinitely in time of peace, thereby in their opinion insuring work, purchasing power and the continuance of so-called wartime prosperity; but if this were practicable, it would mean an ever-expanding burden of debt, necessitating a continuous depreciation in the value of money, thus keeping prices and wages in a constant turmoil and leaving no opportunity for stable planning on the part of any individual or any corporation. Such a programme would ultimately mean disaster as experienced by countries which have let inflation get out of hand and would not be consistent with the plans for currency stability initiated at Bretton Woods to which Canada as a Nation has become a subscriber.

### War Produced Canadian Production Records

Our energies should be directed towards achieving a maximum of production accompanied by creation of new national wealth and new employment. We all watched with pride Canada's material contribution to the war and the high records of production achieved by her industries in the course of the wartime programme, the value of which exceeded $10,000,000,000.

For the year 1944 the cash value of our farm products was $1,800,000,000., nearly double the figure of 1939, while at the same time the number of workers in other than agricultural pursuits increased by about 60%. These efforts combined to raise our output as measured by indexes of production and national income by the same percentage and the figures demonstrate what is possible for Canada when the need exists and the opportunity permits.

### Peacetime Demands to Stimulate Production

What has to be done now is to keep the greatest possible amount of this productive energy at work as Government controls continue to relax and the supplying of consumers' requirements proceeds.

One of the most important tasks of the immediate postwar period is the direction of buying power into the channels which will be most creative of employment and of greatest value to our national future. Due to actual physical shortages and to well-founded anti-inflationary regulations and propaganda, Canadians for six years have to an increasing degree been denied their requirements and the consumer goods to which they were accustomed in normal times; hence there are shortages of houses, the equipment thereof, textiles and motor cars, in fact, everything that helps to make up the amenities of peacetime living.

People who have saved in order to obtain after the war the things they want, cannot be expected to do other than buy them when they are available. This situation (and it is not confined to Canada) means more buying power than there are goods available. It is therefore little short of tragic if in this situation, reconversion, employment and progress is to be impeded by strikes and work stoppages, which inevitably mean loss to all concerned and which might be avoided by the exercise of goodwill, co-operation and earnest consideration of the rights of others.

### Exports Must be based on more than Temporary Measures

A further problem of a more permanent nature is that of securing adequate and continuing export markets. At the moment, there are special aids such as the purchases of UNRRA to offset outright destitution in Europe, and the granting of credits to Britain, to certain countries of Europe and to China, but these are only temporary measures against the time when the devastated countries may again be able to pay for what they need. With that time in view, we have to put our own house in order, examine carefully our costs, the governmental overhead that we can carry, and the prices at which we are prepared to put our goods on the world markets in competition with these other countries which we are presently aiding and which may shortly become keen competitors.

### Post-War Living Standards

We must assure for ourselves a satisfactory place in the permanent postwar world and we may well select two specific targets towards which to direct our sights. One, the development of the widest possible international markets, to embrace not only the big buyers such as Great Britain and the United States, but also the Central and South American countries which have made material progress during the war years, and those of the far east which, once re-established in production and trade, should become increasingly a factor in the world's commerce. The second target should not even need to be mentioned since it is an essential to business of any kind, but in recent years of easy money and in these days of loose thinking, it has been and still is often overlooked. I refer to the necessity of giving value in return for the price paid. Upon the volume of production and export trade largely depends the wage level and the standard of living which accompanies it. Their very survival requires not only that labour give full value but that all other factors in production, including the mechanical improvements of the war period, be developed to utmost efficiency.

### Future Prosperity demands Full Development of Canada's Natural Resources

Our vast resources of timber, iron, nickel, copper and other metals provide the base for increased activity by the industries engaged in the production of building materials which are now in short supply the world over.

The national importance of the exploration, development and production of our bountiful mineral and other resources cannot be over-emphasized.

Responsible sources estimate that for every man directly engaged in mining, not less than 10 persons are indirectly employed in providing supplies, equipment and services. In 1944 mineral production was $485,800,000. and the number of men employed in mining was 60,700. The Dominion Bureau of Statistics estimates that for 1945 with the same number of men employed, production was slightly lower. In recent years gold mining, due to labour shortage, has been greatly curtailed, but increased manpower now available and the bringing in of properties now in process of development, will result in much greater production in 1946.

Canada with her unexcelled sources of raw material, manufacturing equipment and technical skill, is in a preferred position to compete in world trade and commerce. She has an abounding opportunity to speed reconversion and enjoy a prosperous period of postwar business and employment.

## Importance of Small Businesses in National Economy Emphasized by B. S. Vanstone, General Manager

### TOTAL ASSETS AT NEW PEAK

The Ninetieth Annual Statement submitted today discloses a strong position and a gratifying year of sound progress.

### Profits Maintained with Higher Taxes

Our earnings, after providing for all known contingencies, were approximately the same as for the previous year. After contributing $250,000 to Staff Pension Fund, providing $92,604 for depreciation on Bank Premises and Equipment, and $801,777 for Dominion Government taxes, our net profits were $935,137. Taxes were higher by $113,812, of which $43,443 is refundable. The regular dividends of $600,000, at the rate of One Dollar per share, were paid, leaving a balance of $335,137 to be added to Profit and Loss Account, which now stands at $1,821,746.

### Increase in Total Assets

Total Assets, $356,361,000, increased $54,321,000 and are the highest in the history of the Bank.

In keeping with the great expansion of the last six years in our national economy, the assets of this Bank, which in August 1939 just prior to the outbreak of the war amounted to $152,897,000, now total $356,361,000, an increase of 133%. Similarly, during the same period, the total assets of all the chartered banks have expanded from $3,548,426,000 to $7,389,309,000—an all-time high.

Our strong liquid position has been maintained, $282,941,000, or 84.11%, of our total liabilities to the public being held in cash or assets readily convertible into cash. Cash and balances with other banks, including our deposit in the Bank of Canada, amounted to $63,285,000.

### Higher Investment in Securities

Our investment in securities, $207,095,000, is higher by $24,108,000. Over 94% of our investments are in Dominion and Provincial bonds, and while those in the two-year category at $66,529,000, as a result of the Dominion Government's paying off a round amount of Deposit Certificates in November last, are lower by $10,639,000, those of longer dating, $129,873,000, increased $30,180,000. Municipal debentures, $4,595,000, are higher by $3,366,000, while other securities increased $1,201,000 to a total of $6,097,000.

### Rise Recorded in Call Loans

Call loans, $12,560,000 (all fully secured by readily-marketable collateral) increased $7,594,000 due to greater activity in the security market and temporary accommodation to Investment Dealers financing purchases of Victory Loans.

### Current Loans and Discounts Reach New Levels—Importance of Small Business Recognized

Current Loans, $64,056,000, show an increase of $3,382,000.

We are hopeful that with expanding peacetime production there will be a greater demand for loans for reconversion of plants and to finance heavier inventories and receivables.

We are particularly anxious to help small businesses. They are of major importance in the development of our country and many of our very sizeable concerns have grown from a small beginning.

### Increase in Municipal Loans Expected

Loans to Municipalities are at the low figure of $1,789,000, a decrease of $868,000, but with the resumption of capital expenditures of various kinds, we anticipate a considerable increase.

### Expansion in Bank Premises

At $3,133,000 Bank Premises are higher by $363,000. During the year a central property in Winnipeg was purchased on which, as soon as conditions permit, a building will be erected to accommodate our main branch in that city. In addition we found it necessary to increase our facilities at a number of branches to take care of their increased volume.

### Total Deposits Show Satisfactory Increase

Total deposits, $329,645,000, show the very satisfactory increase of $52,570,000.

Deposits from the public total $265,919,000, consisting of non-interest-bearing deposits $93,655,000, an increase of $13,063,000, and interest-bearing deposits $172,263,000, an increase of $31,845,000. Government deposits show an increase of $7,661,000.

### Increase in Branches—Resume Full-time Service

During the year a branch was opened at Val d'Or, Quebec, and at five points where, as a war measure, only partial service was being given, we have resumed full-time service.

### Active Service entails no loss in Seniority or Remuneration

In the first place I wish to pay tribute to those of our staff, over 500 male and female, who served their country in the Armed Forces.

Awards were conferred on fourteen of our men for distinguished service and we congratulate them sincerely.

With deep regret we record that forty-one of our men made the supreme sacrifice and we offer heartfelt sympathy to the bereaved families and friends.

Since the end of the war 135 of our young men have rejoined the staff and we are happy indeed to have them with us again. To those who are not yet discharged we say that they too will find a warm welcome awaiting them on their return.

That these men should be at no disadvantage for having served their country, increased remuneration is being granted them on the basis of their being continuously in our service, and that over 80% of those discharged have re-entered the Bank, exclusive of a number taking University courses, is, we believe, an indication of the friendly attitude existing.

### Loyalty of Staff Appreciated

I extend also my sincere appreciation of the loyalty and efficiency of the staff as a whole. Senior and junior officers alike have responded wholeheartedly to the demands upon them, and to their combined efforts much credit is due for the success of the year's operations.

The staff now numbers 1,716, of whom 1,012 are women.

### Pension Fund and Group Life Insurance Plans

We are ever mindful of the welfare of our staff. Our Pension Fund and Group Life Insurance plans have provided benefits for many years, and as a help in case of sickness a Group Hospitalization Insurance plan was inaugurated during the past year. A large portion of the cost of all these is borne by the Bank. The benefits and protection are, we believe, fully appreciated by the staff and the goodwill created is a very valuable asset.

### Inspections and Audits

All branches of the Bank have been inspected by our own Inspection Officers during the year and the usual audit of cash securities and loans at Head Office and the principal branches in Toronto, Montreal, Winnipeg and Vancouver has been made by the shareholders' auditors.

### Service to the Public

In the past few years I think that we, as bankers, have become increasingly conscious of our duties towards the public and this, we believe, has been evident throughout the period of the war. The demands on the Canadian banks might well have been too heavy, but with staffs badly depleted by enlistments, with replacements young and untrained, they gladly and whole heartedly met each emergency in turn.

### Co-operation the Keynote of Industrial and Agricultural Relations

As we move into the postwar era, this bank is more than ever desirous of playing its full part in co-operation with agriculture and industry. By advice when new enterprises are contemplated, by information when new markets are sought, with assistance and guidance in facing problems, we desire our managers to be of the greatest possible help. To assist them we have at Head Office established a new Services Department which already has proved its usefulness and its scope is increasing daily.

### Liberal Loaning Policy

Our loaning policy is definitely more liberal. Our sense of responsibility to our shareholders and depositors is no less strong than it has ever been but we have felt that, without sacrifice of their interests, we could serve our borrowing customers, particularly small business and individuals, to a greater extent than heretofore. Often a borrower's own capital is limited but where this bank believes a project is sound, has faith in the character and ability of its customer and feels that, barring the unforeseen, he can carry his project to a successful conclusion, it stands ready to assist him within reasonable limits.

1946 heralds the dawning of a new era—an era in which tolerance, co-operation and goodwill must guide us if we are to have enduring peace.

Let us face the future with confidence, each of us for the common good resolved to do his full share in overcoming the problems ahead.

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## *No Import Board Planned To Handle Canadian Buying*

OTTAWA (Staff) — There is no present plan or intention to set up here a new Federal Government import board. For some time there has been an important division of the Department of Trade and Commerce (The Financial Post, Jan. 13, 1945) in charge of Denis Harvey. Its aim is to facilitate two-way trade between Canada and other world trading nations.

Only purpose of a new import board would be to take over, at some future date, the bulk purchasing functions now exercised for the Government through the WPTB subsidiary, Commodity Prices Stabilization Corp. It is recognized that as this corporation winds up its affairs, a number of "rump" operations will remain. These, it is felt, will be important so long as countries like Britain continue to control the purchase of food and other staples through bulk or state purchasing. In that event, some authority operating under Trade and Commerce may be considered necessary.

At present, The Post is informed, no such plan is contemplated.

One further function which may eventually be undertaken by Trade and Commerce is the purchasing of goods from former enemy countries —Japan, Germany, Italy.

In the United States and in Britain government "commercial" companies have been operating. To date their chief function has been to do "pre-emption" buying—that is to acquire goods from neutral or enemy territories without those goods being offered commercially. Bauxite and roofing rags and a number of other items have been bought in this way from Italy. Trade in a number of items is due shortly to develop with Japan. Earlier in the war, these companies acquired stockpiles of goods which were available from neutral or enemy lands, or sequestered raw materials needed by the Allies.

Until commercial trading is once again permitted between Canadian firms and enemy lands, it may be necessary for Canada to form some type of government agency to handle imports of goods needed in this country and only available from enemy sources.

Here again, no plans have been developed as yet for handling this situation by Canada.

**WAR ASSETS CORP.** is offering for sale by tender 12 of Canada's Castle class corvettes. Purchasers must agree to the proviso that any conversion work required will be carried out in Canadian yards.

## C. P. R. Profits Lower In 1945

MONTREAL (Staff) — Canadian Pacific Railway earnings for 1945 are likely to be shown, below $2 a share on the common stock, probably in the neighborhood of $1.80 a share. Earnings on the common in 1944 amounted to $2.21 a share.

Gross operating revenues totalled $316,109,000 against the record $318,870,000 in 1944, and net operating income after expenses and taxes will be shown at approximately $36 millions against $43,159,664 year before. Due to further bond retirements, fixed charges will be more than a million dollars less than the $20,831,149 amount for 1944, and assuming "other income" will show no important change from year before, net income would work out at around $29 millions, equal after preferred dividends to $1.80 a share on the common stock.

Actually, there is likely to be another change in "other income." In 1944, this item declined by $3,899,436, to $12,371,315 due to lowered revenues from activities connected with war work. For 1945, city hotel revenues and earnings from communications probably showed little change. However, revenues from the war-reduced fleet, earnings from subsidiary line operations in the northwest and management fees from war work at the shops probably showed further decline. It is possible other adjustments may affect final showing. Any change in "other income," however, is unlikely to be large enough to make any very important difference in common share earnings.

**THE CANADA INGOT IRON CO.** announces that effective Jan. 1, 1946, the new corporate name will be Armco Drainage & Metal Products of Canada.

## Apple Growers Hear Aid Denied

**From Our Own Correspondent**

WOLFVILLE, N.S. — Financial aid, asked by Annapolis Valley apple growers, because of an 85% failure of the 1945 apple crop, is unlikely.

Hon. J. G. Gardiner, federal Minister of Agriculture, is quoted as stating that the assistance already given the apple industry during the war years "should take care of a very considerable part of any loss . . . in 1945." (The growers had asked for $500,000 to be matched by an equal amount of their own borrowing, as emergency relief to see victims of the crop failure through to another harvest-time.)

Federal assurance has been given of a new and adequate marketing arrangement for the 1946 crop. Growers almost unanimously contend that some plan for central marketing must be continued into the postwar years. The Government, it is understood, takes the view that satisfactory provision for selling future crops, should meet the producers' needs.

The NSFGA has re-petitioned for financial aid, without which, it was said, many of the apple growers would be "on the rocks."

The Valley's 1945 apple crop was 340,000 barrels, orchard run, as compared with 1,750,000 in 1944. Only 25% of these were No. 1's; about 170,000 barrels were sold for processing; and 25,000 barrels went to the British market. Prices held good, and a few growers stand to realize fairly well on the year.

"Such, however," says R. J. Leslie, manager of the Apple Marketing Board, "are few and far between."

**B. C. ELECTRIC RAILWAY CO. LTD.** has announced a reduction in electricity rates in the Vancouver area, which will save consumers an estimated $50,000 during 1946. The reduction, in effect Jan. 1, brings the price down from one cent to three quarters of a cent per kilowatt hour for each kilowatt hour in excess of 230. Large power consumers only will be affected.

**PLATINUM SUPPLIES** are not yet adequate to meet demand, despite cessation of hostilities, Charles Engelhard of Baker Platinum of Canada and of Baker & Co. Inc., world's largest refiners of precious metals, reports. Lifting of restrictions on use of platinum for jewellery and other peacetime uses in the United States and Canada has been followed by heavy demand for platinum by manufacturers of civilian goods, particularly jewellery manufacturers. Platinum supplies in the United States have not been adequate to meet this demand. The only truly natural "white gold" of the jewellery trade, platinum, was used in wartime for electrodes in airplane spark plugs, for contacts in magnetos, for electronic devices, including radar, and as a catalyst in production of chemicals.

**HOLLINGER CONSOLIDATED GOLD MINES** stock has been admitted to trading on the unlisted section of the Montreal Curb Market.

**LIVING TRUSTS**

Through a Living Trust you are freed from worries and responsibilities of management of property. Nor is arranging for a Living Trust a complicated matter. You simply discuss with one of our Trust Officers what your financial affairs and needs are—he will explain what can be done. An agreement will be drawn, stating how the income will be paid to you, and similar details. You reserve the right to alter or cancel this arrangement when necessary. If you are interested, will you allow one of our Trust Officers to discuss this with you, in fullest confidence?

**THE LONDON & WESTERN TRUSTS CO., LTD.**
ESTABLISHED 1896
Branches:
TORONTO — LONDON — VICTORIA — VANCOUVER — SASKATOON — WINNIPEG

CONTINENTAL LIFE

The Continental Life Insurance Company in reporting upon its business for 1945, announces the results of the year's operations to have been most successful, and the financial position of the Company on December 31, 1945, the strongest in its history. Business for the year from 5,019 new policyholders, and policies revived and increased amounted to $9,664,165.

*Highlights from the 1945 Report*
**Showing new high levels attained**

| | | |
|---|---|---|
| BUSINESS IN FORCE | | $ 66,832,157 |
| Increase for year 10.59% | | |
| TOTAL ASSETS | | $ 14,997,748 |
| Increase for year | $1,164,439 | |
| PAID TO POLICYHOLDERS | | $ 943,979 |
| Paid to dependents of those who died | $ 283,271 | |
| Paid to living policyholders | $ 660,708 | |
| POLICY AND ANNUITY RESERVES | | $ 12,676,016 |
| Increase for year | $ 967,554 | |

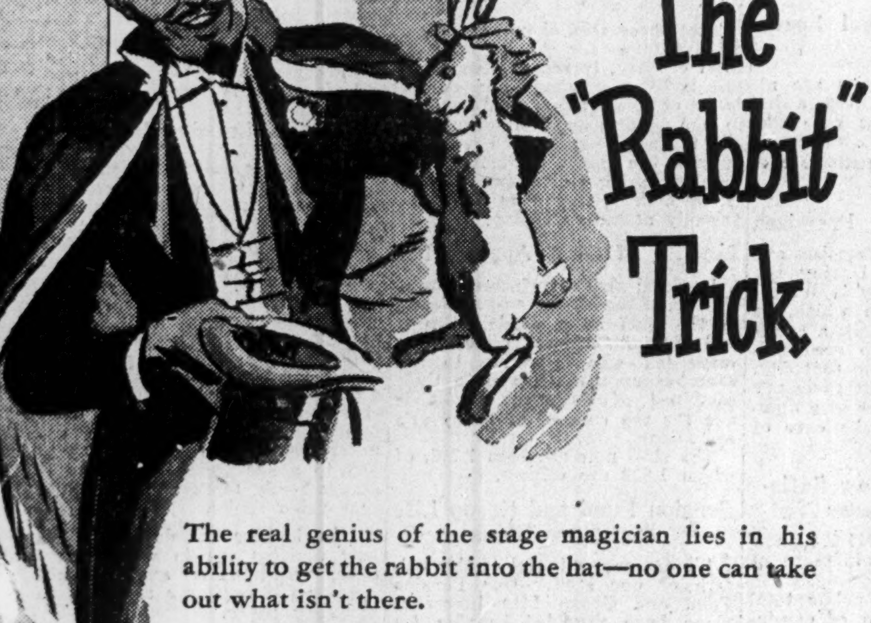
The Continental Life Insurance Company is a purely Canadian Company. The activity of all branch offices of the Company throughout Canada is marked by the most vigilant attention and service to policyholders and beneficiaries.

**THE CONTINENTAL LIFE INSURANCE COMPANY**

J. W. Hobbs, *President*
Head Office TORONTO
Newton J. Lander, *Vice-Pres. and Managing Director*

BRANCHES IN PRINCIPAL CITIES ACROSS CANADA

FOUR SQUARE



The real genius of the stage magician lies in his ability to get the rabbit into the hat—no one can take out what isn't there.

It is possible, too, to put dollars into empty purses so they may be withdrawn when needed most.

Here's an example: A husband, age 30, can arrange to put $10,000 in his wife's purse upon his death—for an outlay of less than $17.00 a month. (Jubilee Life Annual Dividend plan.)

Play safe! Make sure there will be money enough for food, clothing and shelter in the "time of need". London Life representatives can help you. ACT NOW!

**London Life**
**Insurance Company**
*Head Office* - London, Canada

# Superintendents' Committee Studies Clarification of Insurance Legislation

Preliminary discussions on the revision of the provincial insurance company acts by a committee of the provincial insurance superintendents association, opened this week at Montreal.

The committee includes Roy B. Whitehead, superintendent of insurance for Ontario, Georges Lafrance, superintendent for Quebec and a number of company executives including Hartley D. McNairn, manager for Canada of the Prudential Assurance Co. of England and former superintendent for Ontario.

Present discussions exclude the life insurance sections of the uniform acts which have been reviewed decennially for some years past.

### Most Important Decision

The decision to redraft the non-life section of the provincial acts appears the most important resolution adopted by the superintendents association following the conference at Quebec in November. The draft legislation will aim at simplifying existing legislation.

At the Quebec conference it was suggested the insurance companies should have greater liberty in making contracts and that statutory conditions in fire, marine and casualty policies be reduced to a minimum. The redrafting of the laws will aim at making insurance contracts as flexible as possible, with the new insurance acts dealing with broad general principles rather than minute details, which will be left to the general law of contract.

### Other Resolutions

Other resolutions adopted by the superintendents and just released include one to liberalize the statutory conditions in the uniform automobile insurance Act affecting unauthorized and unlicensed drivers.

The present statutory conditions forbid the insured to drive or to allow any other person to drive an insured automobile while he is not "for the time being qualified and authorized by law to drive or operate the automobile or, in case the law does not prescribe any qualification or authority, whilst under the age of 16 years."

It is now proposed to make this read that the insured shall not drive the insured car himself nor permit anybody else to drive if, in either case, the individual has: 1, never been authorized by law to drive or 2, is not qualified to drive, or 3, while his license or right to have a license or to drive is suspended, cancelled or restricted, or 4, if he is under 16 years of age.

### Protects Qualified Man

The effect of this is that a man who is qualified to drive, that is knows how to operate a car but who is not licensed, shall not be debarred from driving an insured car, unless his lack of a license is due to its having been suspended or cancelled. The object of this is to prevent insurance being invalidated because a qualified driver had simply neglected to renew his license. Under the present wording of the statutory conditions, no matter how well qualified a driver might be, if he had neglected to renew his license, the insurance might be invalid.

### Meaning of Qualified

In some quarters objection is raised to the word "qualified." It is urged that the meaning should be clearly defined, stating what standards an individual would have to pass to rank as qualified. Insurance in any case would be invalid if an accident occurred while the car was being driven by somebody under 16.

A further study of the working of the assigned risk plan of automobile insurance is also suggested. This includes all provinces except Quebec, New Brunswick and Prince Edward Island.

### Life Insurance Claims

Another resolution suggests that because the proportion of losses due to delay in settling life insurance death claims is relatively small, no further action is necessary.

In co-operation with the Canadian Life Insurance Officers' Association, a report on group life insurance legislation will also be prepared in time for the 1946 conference and a new section of the Act will be drafted if considered necessary.

## Dividend Increased By Bank of Montreal

The Bank of Montreal has declared a dividend of 20 cents a share payable March 1 to stock of record Jan. 31. This compares with a quarterly rate of 15 cents, paid since 1942, when the excess profits tax was raised, and restores the rate prevailing previous to that time.

Following the recent reduction in the excess profits tax, the directors felt the restoration of the previous dividend rate was justified.

## National Security Insurance Company

Notice is hereby given that the National Security Insurance Company having ceased to carry on business in Canada has reinsured its liabilities in Canada, in the Philadelphia Fire and Marine Insurance Company which is registered under the Foreign Insurance Companies Act, 1932, as amended, to transact business in Canada, and will apply to the Minister of Finance for the release on the 30th day of March, 1946, of the securities on deposit with the Minister of Finance; and that any Canadian policyholder opposing such release should file his opposition thereto with the Minister of Finance, Ottawa, on or before the 30th day of March, 1946.

Dated at Toronto, Ontario, this 21st day of December, 1946.

H. C. MILLS,
Chief Agent for Canada.

**HOME ASSURANCE**
COMPANY OF CANADA
Head Office: Lancaster Bldg., Calgary.
Licensed in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.
*Application for Agencies Invited.*
**FIRE, AUTOMOBILE, HEALTH & ACCIDENT INSURANCE**

# Insurance Agents Fight Saskatchewan Proposals

### Would Put Many Agents Out of Business is Claim — See Government Compulsory Plan Eliminating All Competition

Suggestions that the Saskatchewan CCF Government if and when it brings in compulsory automobile insurance will compel all automobile owners and drivers in the province to insure with the government insurance office is meeting strenuous opposition from insurance interests.

Because there are few company head offices or large branch offices in the province, most of the opposition is coming from agents who feel that the proposed legislation would take away a large part of their livelihood, put thousands out of business. The Saskatchewan Office writes insurance through its own offices independent of the agents. The government plan would compel all drivers to carry public liability insurance, that is insurance against liability for any damage to a person.

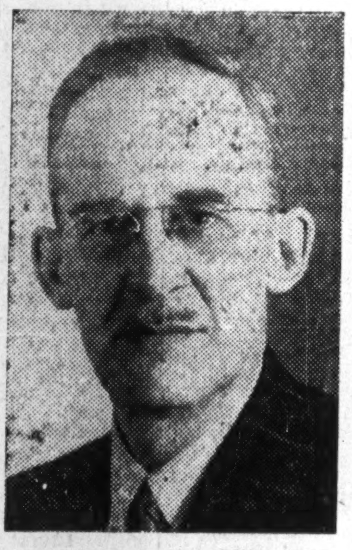
Adoption of the Government's plan, agents claim, would concentrate all Saskatchewan public liability insurance in one office and thus eliminate all competition. It would also mean that a policyholder dissatisfied with a settlement would be unable to take his businesss elsewhere and would have to accept the award of the provincial office, it is claimed.

Other objections to the plan are:

It would concentrate all losses in one office rather than "spreading the risk."

It may not be acceptable to other provinces who may not accept insurance with the Saskatchewan Government as evidence of financial responsibility.

Because of the preferred position of the Crown as regards legal action it is also felt in some quarters that a claim against the Saskatchewan Insurance Office, which represents the Crown, might not be enforceable.



**J. ARTHUR LA JOIE**

**appointed general customs agent for the Canadian Pacific Railway. He has been with the C.P.R. customs department 35 years.**

## Fire Association of Philadelphia

Notice is hereby given that the Fire Association of Philadelphia has received certificate of registry authorizing it to transact in Canada the business of aircraft insurance, excluding insurance against liability for loss or damage to persons, caused by an aircraft or the use or operation thereof, in addition to the other classes of insurance for which it is already registered.

Dated at Toronto, this 2nd day of January, 1946.

J. J. KILGOUR,
Manager for Canada.

**Dominion Appraisal Company Limited**
The Authority on Physical Values in Canada from Coast to Coast.
Equipped to carry out work of any magnitude within a reasonable space of time.
Head Office
137 Wellington St. West
TORONTO Elgin 5928
MONTREAL
University Tower Building.

—Photo by Karsh.

**R. M. FOWLER**

**has been appointed president of the Newsprint Association of Canada.**

## *Honor Cheques Even If Dated Jan. Last Year*

With 1946 less than three weeks old, many bank depositors are still dating their cheques 1945. The proportion of the total is not large, but the number is substantial.

Bankers however are very understanding about the matter and provided there is no reason to be suspicious of a cheque, they cash it. A cheque dated a year before, is quite different from one dated a year ahead which would not be cashed.

Some bankers say, however, that while they are indulgent about cashing cheques dated in the previous January, they are more suspicious of cheques dated a year back, say, in April or June. One is regarded as a natural slip, the other may be intentional.

**NOVA SCOTIA FOREST** products yielded an estimated $13½ millions in 1945, an increase of nearly $1½ millions over the preceding year. There was a ready market for all the lumber manufactured, and a building boom is in prospect. Work in the woods has been hampered by mild weather and lack of snow; but the industry is prepared for still larger production. Export shipments will be made under the agreement negotiated last summer with the British Timber Control, for 5,000,000 feet of eastern Canadian spruce.

**MORDEN, HELWIG & FERRIE LIMITED**
*Insurance Adjusters*
Automobile, Casualty, Fire and Allied Lines, Inland Marine
HAMILTON
LONDON
CHATHAM
WINDSOR
ST CATHARINES
OWEN SOUND
KITCHENER
SARNIA
SIMCOE

**A Policyholder's Questions are answered by The National Life**

*How much life insurance does the Company have in force?*
At the end of 1945 we had 38,127 policies amounting to $86,867,122, a gain of $5,760,179 during the previous twelve months.

*What are the Company's assets?*
Most of our assets represent the amount set aside to meet future payments on our policy and annuity contracts. During the year our assets were increased by $1,118,336.72, now total $17,953,721.71.

*How is my money invested?*
$12,004,433.74 was invested in Dominion, Municipal and Corporation Bonds. Thus your premium payments aid in maintaining Canada's economic stability.

*How much did the Company pay out to policyholders and beneficiaries?*
Last year we paid out $1,164,828.32, of which $598,152.48 was paid to living policyholders.

**The National Life Assurance Company of Canada**
Home Office Toronto
Established 1897

**HOCKEY** IS CANADA'S NATIONAL SPORT AND SPALDING AND REACH, WRIGHT & DITSON
*Always set the pace in sports* EQUIPMENT

Wherever top ranking hockey is played there you will find the finest quality equipment and on the finest equipment you'll find the three trade marks which represent the first in sports equipment. Whether it be smooth combination or individual play, you'll find only the best equipment, that helps to make Hockey Canada's National Sport.

A. G. Spalding & Bros. of Canada Ltd.—A. J. Reach, Wright & Ditson Co.
Brantford • Canada
14

NEW ISSUE

**$15,000,000**
**Province of Quebec**
3% Sinking Fund Debentures
To be dated February 1st, 1946 — To mature February 1st, 1962
(Callable on or after February 1st, 1960)

*Principal and half-yearly interest (February 1st and August 1st) payable in lawful money of Canada in the Cities of Quebec, Montreal, Toronto, Winnipeg or Vancouver, at the holder's option. Coupon debentures in the denominations of $1,000, $500, and $100. Debentures may be registered as to principal only. These debentures will be subject to redemption at the option of the Province as a whole but not in part at 100% of the principal amount and accrued interest on February 1st, 1960, or on any subsequent interest payment date on at least sixty days' notice.*

*Legal Opinion: Messrs. Heward, Holden, Hutchison, Cliff, Meredith & Collins.*

**In the opinion of Counsel, these debentures will be direct obligations of the Province of Quebec, and will be a charge as to principal and interest upon the Consolidated Revenue Fund of the Province. The purpose of this issue is to renew and refund a loan of $5,000,000 (less accumulated Sinking Fund of $155,000) and a temporary loan of $1,970,000, both of which will mature on February 1st, 1946, and to make up, in part, a difference between revenues paid into the Consolidated Revenue Fund and expenses charged thereto, such difference being established by the certificate of the Quebec Provincial Auditor.**

**A Sinking Fund of an amount equal to at least 1% of the face value of the outstanding debentures of this issue will be provided annually.**

*Particulars of the debt and other financial statistics of the Province will be found in the official prospectus which is available upon request.*

**PRICE: 100.75 and accrued interest, yielding over 2.93%**

*SUBSCRIPTIONS WILL BE RECEIVED SUBJECT TO REJECTION OR ALLOTMENT IN WHOLE OR IN PART AND THE RIGHT IS RESERVED TO CLOSE THE SUBSCRIPTION BOOKS AT ANY TIME WITHOUT NOTICE.*
*IT IS EXPECTED THAT THE DEBENTURES IN INTERIM FORM WILL BE READY FOR DELIVERY ON OR ABOUT FEBRUARY 1st, 1946.*
*WE OFFER THESE DEBENTURES IF, AS AND WHEN ISSUED AND ACCEPTED BY US AND SUBJECT TO APPROVAL OF COUNSEL ABOVE MENTIONED.*

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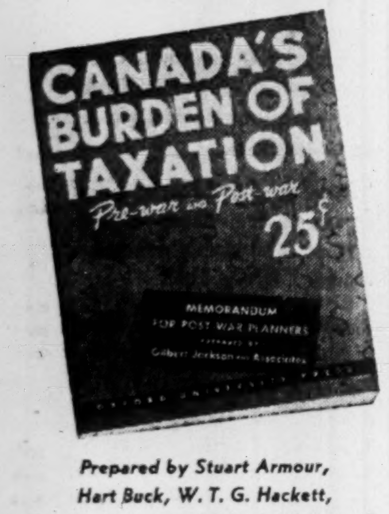
Canadian Alliance Corporation Ltd.
Ormsby Doherty & Co.

*The statements contained herein are based upon information obtained from official sources but are in no event to be construed as representations by us.*

January 14th. 1946
*Printed in Canada*

EVERYBODY'S CONCERN



Prepared by Stuart Armour, Hart Buck, W. T. G. Hackett, Gilbert Jackson and John L. McDougall.

This study of Canada's Burden of Taxation: Pre-War and Post-War, deals with current and prospective expenditures by the Government of Canada, and with possible ways and means of meeting them . . . . . . 25c.

O X F O R D

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Your legal advisor can save your family much trouble, heart-ache and expense by putting your Will into legal form.

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# BOOKS FOR BUSINESSMEN

**CANADA YEAR BOOK, 1945: Editor, A. E. Millward; issued by the Dominion Bureau of Statistics, Department of Trade and Commerce; 1,200 pages; price $2.00.**

Every year since 1867 a Canada Year Book has made its appearance, rich in statistical and analytical information about the Dominion. This year's 1,200-page volume, covering Canada from "Aborigines" to "Zinc" is the most ambitious production since 1939. All the standard data is contained in the 1945 year book, plus important chapters on Social Welfare and Reconstruction, which discuss family allowances, health insurance and postwar planning for full employment in the light of most recent developments. Chapters on internal and external trade have also been brought up to date and a new section explains the manpower and selective service organization. The editor is A. E. Millward and the book is published by authority of Hon. J. A. MacKinnon, Minister of Trade and Commerce.

**THE UNWRITTEN LAWS OF ENGINEERING, by W. J. King; published in Canada by Canadian General Electric Co. Ltd.; 14 pages.**

This little booklet is a reprint of a series of articles written for Mechanical Engineering by Mr. King, a General Electric engineer. While it is intended particularly for engineers, the booklet—and particularly its first section—could be read with interest and profit by any young man joining the office staff of any large company. King describes his work as "a set of house rules for a design-engineering section of a large engineering organization," but it is more than that. It is a comprehensive manual of conduct for all men who have to work with and for other men. Part 1 is directed especially at the newcomer to business. Parts 2 and 3 deal with the behavior of executives and contain some advice which could be profitably followed by men with long experience in positions of authority. A limited number of copies of this helpful manual are available on application to Canadian General Electric Co., Toronto.

**YOUR OWN STORE AND HOW TO RUN IT, by Robert F. Chisholm; published in Canada by Oxford University Press; 80 pages; price, $1.**

Written by one of Canada's dynamic merchandising men, this book charts a course for the would-be retailer from the crossroads of decision to the opening day of his new store. In between those two, Mr. Chisholm sandwiches a rich and satisfying filling of advice and information.

Robert Chisholm, vice-president and general sales manager of Gordon MacKay & Co., has brought together hundreds of simple, essential facts which have produced profits for thousands of storekeepers. Veteran merchandisers whose businesses have lost their essential zip can read this short volume as profitably as the greenest tyro. It supplements other books and articles written on the subject, rather than replacing them. It contains helpful information on where to locate, how to buy goods, how to make displays, how to attract customers, how to borrow money and how to gain goodwill. None of it is theory, all is fact—the experience of hundreds of successful businessmen.

Mr. Chisholm sets forth his major premise at the start of the book when he says: "The difference between making money and losing your shirt is this: You will determine to study and apply the methods of the successful or you will go your own way learning the score from that slow teacher, experience—often too late, always too expensively and frequently only after disaster." The book itself is a simple, at times humorous and always penetrating report on "the methods of the successful."

**AIRPORT ACCOUNTS, by Joseph M. Cunningham, C.P.A.; published by Municipal Finance Officers Association of the United States and Canada, 1313 East 60th St., Chicago 37, Ill., U.S.A.; price $1.25.**

Ths book is published to fill the gap in accounting literature on the subject of airports. It shows a complete and carefully worked out system of accounts for both large and small airports, with each account title explained in full. For the smaller airports, only the principal accounts are recommended, while for the larger airports the principal accounts are divided into numerous subaccounts. "If airports are to become self-supporting they must know their expenses and the revenue which must be earned to cover them," the book states. "An accurate system of accounts and reports will be of the greatest assistance in dealing with commercial operators, in providing data for determination of the federal government policy toward airports, and in advancing confidence of local citizens in airport operations," the book states. The material should be equally useful to operators of municipal or privately owned airports.

**DR. R. S. JANE**

**appointed vice - president in charge of research of Shawinigan Chemicals, Ltd. For three years he has been director of industrial research department of Shawinigan Water & Power Co.**

# In Your Opinion

(Continued from page 7)

of importance, Ontario's tourist program will aim at the following:

1. Improvement of standards of accommodation, food and cleanliness in hotels, resorts, restaurants, and all establishments catering to the travelling public.
2. Creation of a consciousness among our people of the importance of the industry and the part that courtesy and friendliness play in it.
3. Development of the vast northern areas of the province as a playground for our own people and visitors.
4. Evolution of distinctive Ontario handicrafts and foods.
5. Improved access to game and fish.

* * *

## A. Widnall

**Tourist Commissioner, Fort William, Ont.**

In my opinion the following suggestions should be considered in making travel in Canada a major industry.

1. National standardization and licensing of existing tourist accommodation.
2. Paving and dust treatment of all existing highways.
3. Imbue governments with wisdom of building scenic highways which tomorrow will pay dividends in tourist dollars.
4. Survey to estimate available accommodation and setting aside government priorities next to housing to keep tourist influx.
5. The veteran, our number one salesman, was offered rehabilitation courses to train him as an employee of tourist industry, but so far governments have denied him financial aid to become a tourist owner-operator.
6. A national conservation policy to preserve and to propagate further the great outdoors of Canada.
7. A national appeal to all our citizens and especially to those serving the travelling public, to maintain the present courteous attitude which has made us famous for our "Canadian hospitality."
8. Stress the local Canadian cuisine such as Thunder Bay blueberry pie and Lake Superior trout.
9. Have a stepped-up program of selling Canada's natural beauty to the travelling public.
10. Emphasize that every Canadian shares in the tourist dollar.

* * *

## Hugh Templin

**Editor, News-Record, Fergus, Ont.**

To make travel a major Canadian industry, it is necessary to please those who come, and to advertise for others. We have scenery and climate, and for long distances our railways are the best in the world. When they get caught up with repainting and repair jobs, the large hotels are mostly excellent. We need better meals and beds in small summer resorts and typical Canadian food. Except in Quebec, native handicraft is not developed. Fishing must be kept up, so that a few large fish are caught everywhere. That advertises fishing. Some slight changes in highways would make fine scenic routes as in the Grand River Valley.

# *Miners' Holidays Cut Coal Output*

**From Our Own Correspondent**

HALIFAX—Dominion Coal Co's 11 Cape Breton collieries produced 2,611,946 tons of coal in 1945, a drop of 388,986 from the previous year. This is attributed in part to two weeks' holidays given to all workers—one week in the summer, and one in December.

New Waterford's new 16 colliery led with 449,430 tons, No. 1B in the Glace Bay District placed second with 408,467. Caledonia, oldest operating colliery in the area, was third with 359,307 tons, followed closely by No. 12 at New Waterford, 353,331 tons.

**PRINCE EDWARD ISLAND** — high grade Holstein cattle may find a new market in Mexico, says L. W. Roper, of the Dominion Department of Agriculture, recently returned from Mexico, where he accompanied the shipment of 325 Holsteins from the Island and the other Maritime Provinces (see The Financial Post, Dec. 8, 1945). Tremendous interest in the shipment was caused among Mexican ranching circles. The purchaser, Señor J. G. Gallo, was highly satisfied with the quality of the cattle, and was immediately prevailed upon by other ranchers to sell 135 on the spot. Mr. Roper predicts an influx of Mexican buyers here this spring.

**PROVINCE OF QUEBEC** $15,000,000 3% 16-year bond issue was offered at 100.75 and interest to yield about 2.93%. Books were opened and closed on Jan. 14. The bonds, dated Feb. 1, 1946, and due Feb. 1, 1962, were awarded at 99.52½ to a syndicate headed by the Bank of Montreal and A. E. Ames & Co., Ltd., and including 21 French-Canadian firms. Proceeds will be used to redeem treasury notes and bonds maturing in February.

Subsequently, the syndicate offered the $15 millions Quebec issue to the public at 100.75 and accrued interest to yield investors a return of over 2.93%.

**CANADIAN PACIFIC RAILWAY** has announced that an experimental installation of radar on the British Columbia Coast Service steamship Princess Elaine will be made late this month, preliminary to a program of future use of electronic aids to navigation. Canadian Pacific already has made application in Great Britain for radar sets to equip new Beaver fast freighters for the London-Canada service.

**GOLDORA MINES, LTD.**, reports that all of the option installments maturing after Dec. 31, 1945, as specified in the option agreement between the company and Federal Trading & Agency Co., Ltd., have been extended for 90 days beyond the date previously stated.

# Canadian Car Management Is Again Upheld

MONTREAL (Staff)—At the annual meeting of Canadian Car & Foundry Co., following the second proxy fight in two years, the management of the company was upheld by a vote of close to seven to one, compared with a vote of three to one at the annual meeting a year ago.

Preferred and common stock represented at the meeting totalled 410,815 shares, and 342,842 shares were voted in behalf of the management for adoption of the annual report, with 50,316 shares voted against. Only the management slate of directors (the same board as last year) was nominated.

In reply to a question, V. M. Drury, president, said he was in hopes that the directors would continue the present quarterly rate of dividend payments on the common stock this year, providing of course that dividends continued to be earned.

### Preferred Redemption

In his formal remarks, Mr. Drury stated that since reorganization, 10,008 preferred shares had been redeemed, adding "the directors have been giving consideration for some time to the calling of the preferred stock for redemption, and in this connection the directors expect to be able to make an announcement at an early date."

Mr. Drury reported that the directors planned to spend $2,350,000 on capital improvements, of which $925,000 was spent in the last fiscal year, and additional expenditures will be confined only to amounts absolutely necessary.

As regards current operations, he stated the company today is employing twice as many workers as before the war. Orders for buses and trackless trolleys, being produced at the Fort William plant, totalled $5.5 millions, and additional orders are pending.

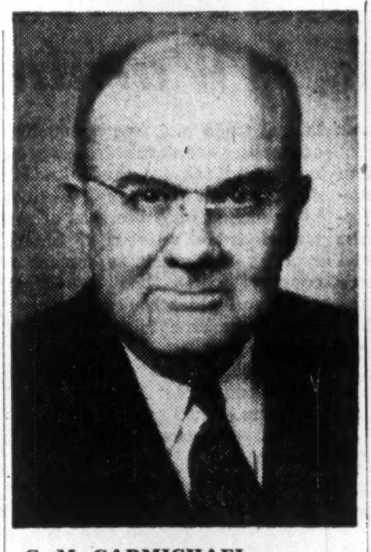
### Car Plants Busy

The railway car plants have sufficient orders on hand to keep them busy through 1946, and further orders are in process of negotiation. Future developments include commercial production of Burnelli cargo-transport planes and a new type of hydraulic propeller.

In reply to a question by A. Kirby, who has solicited proxies in opposition to the management the last two years, Mr. Drury said $14,911 was spent last year by the company in the proxy fight.

A. H. Tanner, K.C., argued at length against the form in which the company's annual statement was presented, contending that the report was not sufficiently complete. He protested against noninclusion of amount of reserve against current assets, insisted deferred charges should be more fully disclosed, stated that the basis for figuring depreciation against capital assets should be revealed.

Mr. Kirby, in explaining his reason for not making public names of new directors he would like to see added to the board, said the men he had in mind to nominate did not wish notoriety or to be the centre of a clash of personalities. Stating he had received proxies from over 900 stockholders, he said this indicated a strong body of opinion that there should be some change in the board. He said he had suggested to the management that representatives of the opposing group be elected to the board, but this proposal had been rejected.



**C. M. CARMICHAEL**

**appointed vice - president of Shawinigan Chemicals Ltd., has been manager of the stainless steel and alloys division of the company.**

**MONTREAL TRAMWAYS CO.** carried 385,575,041 revenue passengers in 1945, an increase of 24,532,100, or 6.79%, over 1944. Contributing to the increase was a streetcar strike in August, 1944. For the final quarter of 1945, the company carried 100,828,923 passengers, an increase of 3.83% over 1944.

MACDONALD'S BRIER

Canada's Standard Smoke

YOUR OWN STORE AND HOW TO RUN IT . . .

by Robert F. Chisholm,

former Co-ordinator of Distributive Trades for the Wartime Prices and Trade Board

WITH A FOREWORD BY Edgar Burton

- Are you planning or even thinking of becoming an independent business man or woman? You may learn how by easy lessons, in this book entitled *Your Store and How to Run It* by Canada's leading authority on retailing, with a foreword by Mr. Edgar Burton, one of the Dominion's outstanding department store executives.

Here is great wealth of practical experience packed in down-to-earth, matter-of-fact advice in easy, understandable language.

No ex-service man or woman planning a future in retail trading should be without this beginner's primer. It may prove to be the foundation of many successful careers.

$100

6 REASONS

WHY YOU SHOULD BUY THIS BOOK . . .

It Tells You:

1. HOW TO BORROW MONEY
2. WHERE TO LOCATE
3. HOW TO BUY GOODS
4. HOW TO ATTRACT CUSTOMERS
5. HOW TO MAKE WINDOW DISPLAYS
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AT ALL BOOKSELLERS

O X F O R D

DON'T DELAY

THE making of a will is a matter which should be done at a time when careful consideration can be given to the disposition of one's estate. There is danger in delay. The efficient administration of the estate may be ensured by appointing as executors The Sterling Trusts Corporation, who will be glad to assist in planning your estate, without obligation.

THE
STERLING TRUSTS
CORPORATION
Sterling Tower, Toronto 1
34 years in Business

Looking Ahead . . .

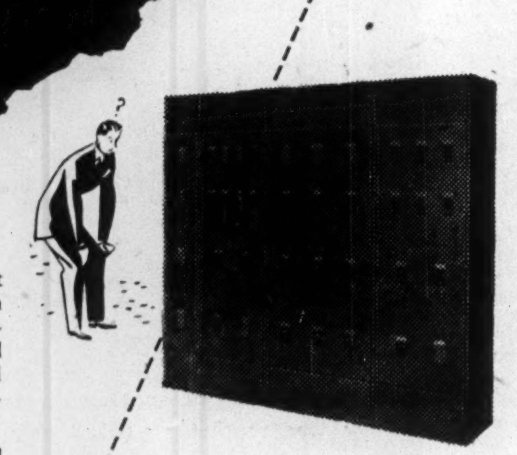
Proud of its record during the years of war when it built the sturdy ships that helped speed the Victory, the Davie Shipbuilding and Repairing Company Limited, is now reconverting for the construction of peacetime vessels that will assist in the development of Canada's vital export trade. At the Lauzon yards, in the Province of Quebec, and in other yards strategically situated on the Great Lakes, Canada Steamship Lines and its subsidiaries can contribute its share to any programme of shipping rehabilitation.

Canada Steamship Lines looks forward to the ever-growing status of the Dominion in the councils of the United Nations and is well-equipped to handle its share of the job that lies ahead because of its increased holdings and the improvement to its physical property.

In addition to its shipyards Canada Steamship Lines operates the finest inland passenger and freight vessels afloat, and some of the most exclusive resorts on the Continent.

THE DAVIE SHIPBUILDING & REPAIRING COMPANY LIMITED
AND
CANADA STEAMSHIP LINES

WHAT MAKES A GOOD SWITCHBOARD?

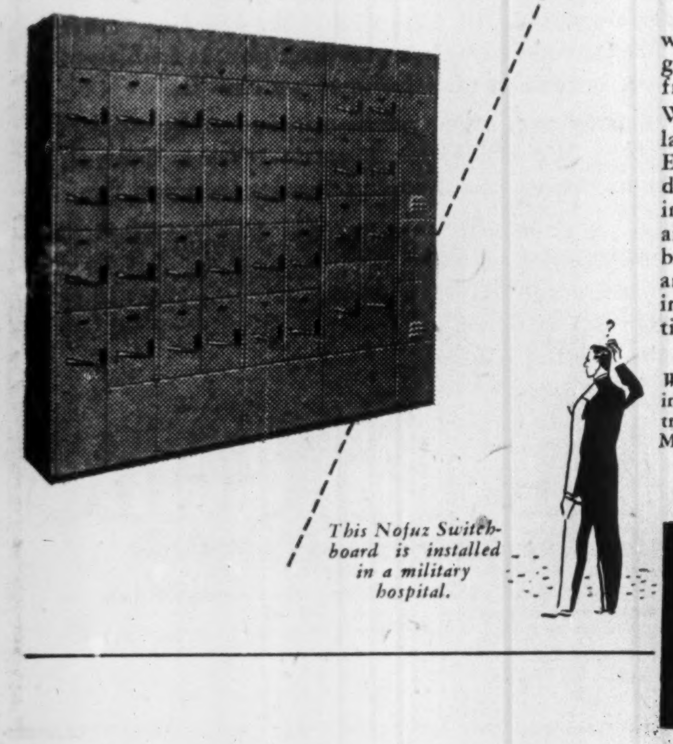


This Nofuz Switchboard was built for a large commercial building.

Here are two examples that point out "what makes a good switchboard." Both contain quality materials. Besides, Amalgamated switchboards specialists worked hand in hand with the engineers concerned and designed boards to meet each individual need.

This Amalgamated policy, backed up with long years of experience in manufacturing scores of switchboards, is one reason why Amalgamated Electric switchboards give long life and are remarkably trouble-free.

Whether you need a small panelboard or a large control centre, call Amalgamated Electric. They make all types including dead front or cubicle construction employing Nofuz units, Vacu-break controls, and air or oil circuit breaker types. AE switchboards save space, are easily connected and can be built for ready extension for industrial plants, commercial and institutional buildings.



This Nofuz Switchboard is installed in a military hospital.

*Western Divisions:* Langley Electric Manufacturing Company Limited, Winnipeg; Langley Electrical Company Limited, Calgary; Langley Manufacturing Company Limited, Vancouver.

AMALGAMATED
ELECTRIC CORPORATION LIMITED
TORONTO AND MONTREAL

# *U.S. Trade Terms Threaten to Break Britain's Financial Back, Is Warning*

Doubt that Britain will be able to live up to her monetary and trade commitments is raised in a series of articles in the London Economist. The articles imply that Britain may have to:

1. devalue the pound, and/or
2. abandon the attempt to trade multilaterally.

The Economist bases its conclusions on two basic factors:

1. If Britain is to balance exports and imports, her export trade must be expanded to 175% of the 1938 volume by the time the U. S. line of credit is exhausted. This gigantic task—equivalent to 17½% of world trade—will have to be accomplished without such bargaining weapons as reciprocal trade agreements, preferences, quotas, subsidies, blocked sterling and exchange control. With the use of these trump cards ruled out by the commercial conditions of the financial agreement itself and Bretton Woods, the Economist sees very little hope of this trade goal being realized.

2. Under these circumstances, Britain faces a chronic deficit of $1.4 billions, of which $140 millions is the annual cost of the loan.

The Economist admits that the loan was desperately needed, that the United Kingdom had no alternative but to accept; that the terms were favorable, particularly the rate of interest and the waiver clause.

But the Economist takes strong exception to the subsidiary commercial commitments. The United Kingdom has committed itself to the trade proposals of both the financial agreement itself and Bretton Woods and, provisionally at least, to the commercial proposals of the United States. Unless these latter trade proposals are scuttled by some other nation, they will be the final straw in breaking the financial back of Britain, the Economist warns.

The paper concedes that multilateral trade and free convertibility of sterling are desirable. At present, however, it reasons, the United Kingdom cannot afford to fall in line. To be launched onto the seas of multilateral trade without a breathing spell is too much to expect of a country which has sacrificed so much and which has such heavy current commitments in both dollars and sterling.

The Economist concludes on a rather sour note: Beggars cannot be choosers. But they can, by long tradition, put a curse on the ambitions of the rich.

# Why U.K. China is Scarce War Closed 100 Factories

Imports of British china are not likely to reach pre-war figures this year, despite the fact that Canada is now getting a higher percentage of Britain's total exports of china and pottery than she did in 1938, The Financial Post is informed.

Importers have received more substantial shipments of pottery and china in the past two months than usual, but they believe this is due chiefly to the fact that many fall shipments were delayed by the dockers' strike in U. K. and consequent accumulation of orders which reached here at the close of the year.

Figures revealed by the British Board of Trade bear out the suggestion that it will be many months before export figures go much higher than they have been for the past two or three years. The pottery industry in Britain employed 70,000 before the war, but this figure had been reduced to 23,000 by mid-1945, and production had fallen to 40% of normal.

Mobilization of manpower for war industry caused the sharp drop, resulting in the closing of 100 pottery plants in the British Isles. Of the 100, it is reported, only 29 have so far taken the preliminary steps toward reopening. Hence the rate of employment in the industry will not rise quickly, despite a strong British desire to increase export trade.

To offset this handicap, British manufacturers are exporting a far greater percentage of their total production than before the war. In 1938, Britain shipped nearly 50 million lb. of pottery and china abroad, of which 12.7 million, or 25% went to Canada. In the first six months of 1945, shipments totalled 15 million lb., of which Canada received 4.95 million or 28%. Canadian quotas were more than four times as great as those allotted to South Africa and New Zealand, and almost three times the quota allotted to the United States.

## *P.E.I. Gets $100,000 "Beautifying" Gift*

From Our Own Correspondent

CHARLOTTETOWN — Prince Edward Island's Government last week received $100,000 as a "beautifying" gift from one of its citizens. Mr. Robert L. Cotton, Charlottetown, a former newspaperman, now a real estate dealer, has donated the sum to establish a trust fund "to encourage the improving and beautifying of properties in rural areas, more particularly properties bordering and within view of public highways, by planting of ornamental trees, shrubs and flowers."

The fund is to be under the direction of a board of three trustees—the Minister of Education, the manager of the local branch of the Eastern Trust Co., and the chairman, a qualified director appointed by the Government. Income only from the fund is to be used for the designated purposes.

## Alberta Mines Need 2,000 More Workers

From Our Own Correspondent

EDMONTON—Alberta coal mines are short 2,000 workers, John Crawford, chief inspector of mines, states.

Mr. Crawford added that approximately 1.5 million tons of Alberta coal had been shipped into the B. C. market last year, and that he hoped for higher shipments this year. Only "a trickle" of Alberta coal is reported moving to the Ontario market.

**GRAHAM CASSELS**

**is a partner in the newly-formed firm of Cassels & Mingay, which will deal in all lines of insurance.**

## *Biggest Airfield Passes to RCAF*

From Our Own Correspondent

EDMONTON — The $7 millions Namao airfield, largest in area in North America, passed this week from control of the USAAF to the RCAF.

Situated 10 miles north of Edmonton, the field was completed late in 1944 as part of the staging route. It will now be administered by Northwest Air Command, with headquarters here.

Transfer of airports and associated facilities is virtually completed at Grande Prairie, Fort St. John and Watson Lake bases.

Transfer of all northwest air bases is due to be completed by April 1. Major bases at Edmonton, Whitehorse and Fort Nelson will probably be the last to come under complete RCAF control.

# Alberta At Long Last May Try Social Credit

From Our Own Correspondent

EDMONTON—After more than 10 years of theoretical Social Credit, the Alberta Government may try once more to put its theories into practice, at the legislature session opening Feb. 14.

A hint of this is seen in Premier Manning's recent statement that "the financiers" might soon hear of methods to be used by the Government, which would take them unaware. No further inkling of government plans has been forthcoming.

Hon. W. A. Fallow, Minister of Public Works, also stated recently that the party "had not forsaken" its Social Credit principles. Nevertheless, it is understood that a number of government supporters are growing impatient, and are preparing to demand the substance in place of the shadow.

Any difficulties the Government encounters at the coming session are more likely to come from dissenters in its own ranks, than from the eight opposition members in the 59-seat House.

Plans to open the session late in January were changed because of the Dominion-provincial Conference in Ottawa, opening Jan. 28. In caucus, government members heard Alberta proposals to the conference discussed "in a general way."

The caucus also discussed old-age pensions, but no details were divulged.

## Air Travel Aid Being Planned

MONTREAL (Staff)—Among the most urgent problems facing the Provisional International Civil Aviation Organization are arrangements for sufficient weather ships, setting up of meteorological observation stations and provision for radio guidance for airplanes in international traffic, according to Dr. Edward Warner, president.

Two regional conferences to deal with such problems will be held shortly, one at Dublin, on March 4, and the other at Paris, on April 8. The conferences will last two or three weeks, and will deal with technical problems only.

Meanwhile various PICAO committees have resumed meetings in Montreal this month, preparatory to reconvening of the Council, or executive, on Jan. 21.

Dr. Warner also has revealed that arrangements for publications are being made. Regional manuals are to be published dealing with: communications personnel, air traffic control, flight crews and aircraft commanders.

## Quebec Plans Relief For School Boards

MONTREAL (Staff)—Legislation to solve, at least temporarily, the distressed financial situation of school commissions, including Montreal's, is scheduled for the coming session of the Quebec Legislature.

The De la Bruere Fortier investigation commission, it is understood, has recommended a gradual centralization policy to achieve administrative economies. In some rural districts, it is noted, four school commissions operate.

Wartime increases in salaries to teachers, with no corresponding increases in revenues, have aggravated financial problems for school commissions. Measures to increase revenues will probably be recommended.

Accumulated deficits of the school commissions are reported to exceed $80 millions.

**PRINCE EDWARD ISLAND** — will reduce storage charges on root crops in the Dominion Government's frostproof warehouses for this winter. The former rate of ¼c. per bushel per day, after an initial 20-day free period, now becomes a flat rate of ½c. per bushel, at the end of the free period, regardless of length of storage. Shippers using the warehouses state that existing scarcity of shipping is delaying arrival of charter vessels, and that high storage charges cannot be carried by producers who are shipping to U. S. markets where competition is keen.

# Adult Education Chief "Too Radical," Resigns

## Held Views Divergent From CCF Government's, On Propaganda Program — Aide May Follow Thomson Out of Organization

From Our Own Correspondent

REGINA—"Who's next?" political circles asked here this week, following the announced resignation of Watson Thomson as director of the CCF Government's "adult education" program.

Thomson's resignation, effective Jan. 31, was announced by Woodrow Lloyd, Minister of Education, after it had been forecast for several weeks. Lloyd said the resignation was tendered Dec. 12, "because of divergence of views between himself (Thomson) and the Government, over means and methods to be adapted to an adult education policy."

Edward Parker, formerly of Ottawa, has been serving as Thomson's assistant, but it is not expected he will receive the vacant post; on the contrary, his viewpoint is so similar to Thomson's that his resignation may also follow.

Lloyd's announcement bore out earlier reports that Thomson's strong Left Wing tinge to adult education had aroused criticism within the Cabinet itself.

The program "Radio College," with its accompanying newspaper called "The Front Page," supervised by Parker, apparently was the immediate cause of the break between Thomson and the Government. This propaganda stunt got widespread criticism. Liberal Leader W. J. Patterson and Progressive Conservative Leader Rupert Ramsay both publicly condemned the program particularly on the grounds that public funds were being used for dissemination of Socialist propaganda.

Thomson took his post here in October, 1944, at a salary of $3,600. He had been adult education director for Manitoba University and was known as a CBC commentator and author.

There is no suggestion that the Government will halt its adult education program. It is believed it will be continued under a director of less socialist bias.

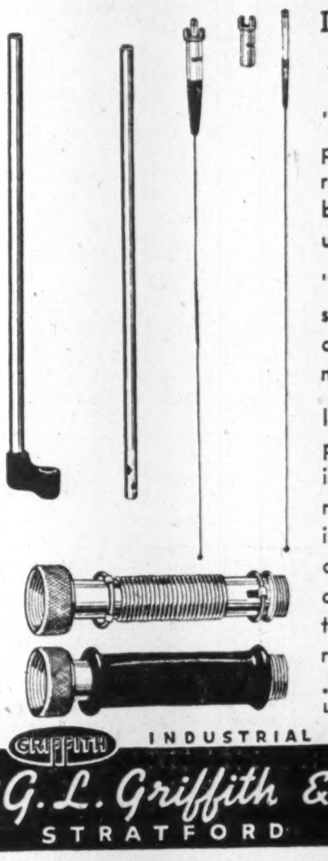
## *Can't Get Staff For Health Plan*

From Our Own Correspondent

WINNIPEG—Inability to get medical and nursing staff is temporarily holding up progress in Manitoba's public health plan.

Last year the legislature enacted a measure establishing 30 local health units.

Three units have been set up, in Ste. Anne in southeast Manitoba; Portage la Prairie in the central part of the province, and Swan River in the northwest. Three or four others are being organized but are unlikely to get started before April 1, because they can't get staff personnel.



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* Co-axial aerial designed by W. R. Key Limited, Toronto.

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**PRINCE EDWARD ISLAND** — Silver Fox Breeders' and Exhibitors have just closed, at Summerside, what is said to be the biggest fox pelt show ever held anywhere, after judging 943 entries. Largest classes were in standard silvers, platinums and pearl platinums, with smaller lots of marked silvers, platinum silvers, glacier blues and novelty types. Grand Championship in standard silvers went to Sterling Willis of North River. The showing of the new type "Glacier Blues" was said to be the first such exhibit in Canada.

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3 To extend and expand our operations to fulfill the present and expected needs of Canadian Industry.
4 To provide a just return on the investment in the plant and equipment of the Company.
5 To give every employee security of employment and opportunity to progress, under conditions which are agreed upon as promoting the well-being of all.
6 To deal with our Suppliers, Competitors and the Public in a spirit of friendliness and according to the best practices of modern business.
7 To serve to the limit of our ability the best interests of our Customers, and the communities in which we operate.

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So you can talk, or write, to the English Electric District Office or Representative near you, knowing that he has your interest at heart as much as his own—that being the only way he, or anyone else in this Company, can get the progress and security which is the aim of all.

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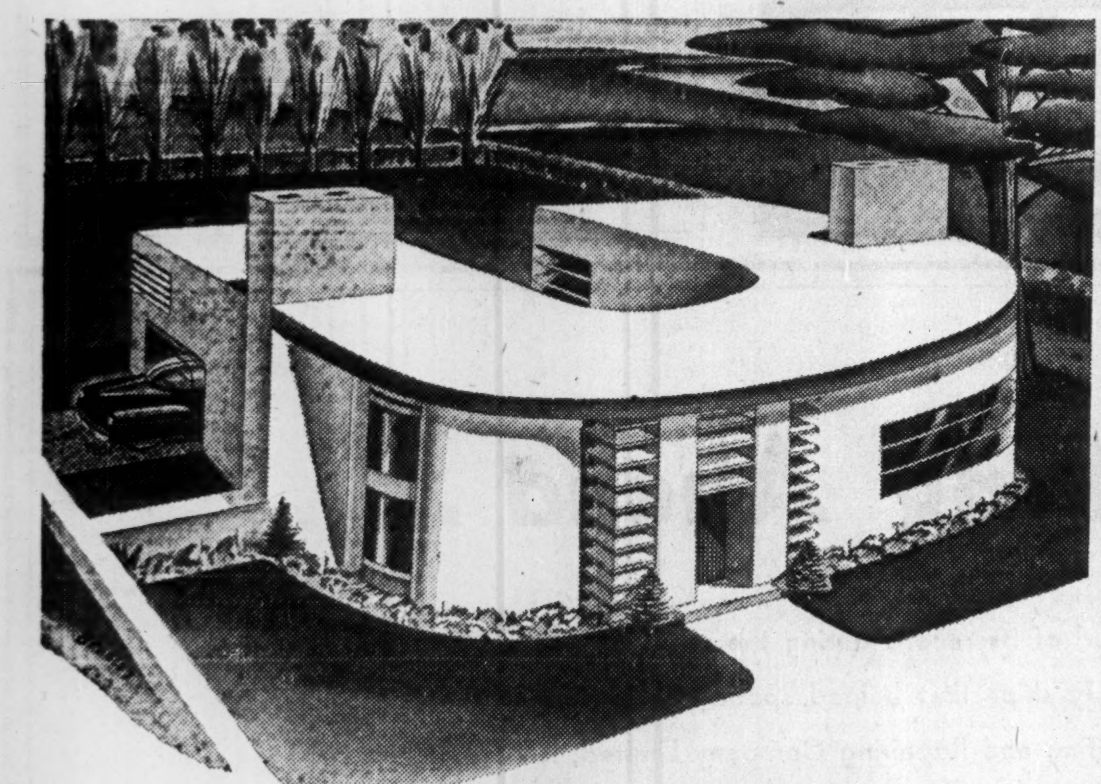

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The Financial Post

Vol. XL Publication Office: Toronto, January 19, 1946 No. 3

# Would Pass B. C. Forest Control To Powerful Citizen's Commission

Appointment of an independent provincial forestry commission with sweeping powers over all forest resources and the entire timber industry is recommended by Chief Justice Gordon McG. Sloan as the basic step in a program aimed at ensuring "a planned forest policy based on the principle of sustained yield production" in British Columbia.

His report, as sole commissioner of a royal commission appointed two years ago to inquire into the forest resources of the province, presents a scathing indictment of government policy over the past 35 years, during which "millions upon millions of dollars have been drained from our forests into the general revenue" while forest protection, conservation and development have not been adequately financed.

Establishment of a commission, he reports, is the only way in which direct Treasury control over departmental appropriations may be avoided. Its purposes would be to formulate and administer a long-term system of planned forest management and forest-industry regulation and to supply the machinery for long-range financing. To accomplish this, the commissioner would vest it with jurisdiction over all aspects of forestry within the province. All forest revenues would be credited to it, and it would be empowered to assess forest industries and collect "whatever taxative levies might be found necessary . . . should direct forest revenue prove inadequate."

### How Money Was Spent

Pointing to British Columbia's record over the past ten years, the commissioner compares direct forest revenues and direct expenditures to show that the province has never spent more than 33.6% of its forest revenues on forest conservation or development, while the average expenditure for all provinces has been 63.3%.

The table of comparisons follows:

| | % Forest Expenditure bears to Total Prov. Revenue | % of Forest Expenditure to Forest Revenue |
|---|---|---|
| 1933-34 | 2.08 | 23.8 |
| 1934-35 | 2.82 | 28.4 |
| 1935-36 | 2.69 | 24.5 |
| 1936-37 | 2.68 | 25.1 |
| 1937-38 | 2.90 | 28.0 |
| 1938-39 | 2.86 | 31.4 |
| 1939-40 | 3.19 | 31.8 |
| 1940-41 | 2.92 | 29.7 |
| 1941-42 | 3.06 | 29.1 |
| 1942-43 | 2.96 | 33.6 |

The commissioner illustrates his point further by stating that during 1933-34 and 1934-35 the Crown contributed nothing to fire protection, although forest revenues exceeded $4 million.

Increased expenditures on fire protection, reforestation and general education in forestry subjects are urged by the commissioner, together with development of woods operations on an annual crop basis. Forest lands must be regarded as "a source of renewable crops and not as a mine to be exploited and abandoned."

Such a program, he asserts, can only be carried out effectively under the administration of an independent commission, free from Treasury control and influence. The commission should have first call on all forest revenues, turning over any surplus quinquennially to the general revenue of the province.

### Organize "Working Circles"

To carry out the program, the province should be organized region by region into Working Circles, the Report suggests. Such divisions by geographical or topographical boundaries would be managed as either private or public working circles. The first would suit industry, the second providing community forests. The formation of the whole Coast into one circle is rejected. The tax suggested for loggers who conform is 1c. annually per acre plus fire protection tax and 12½% yield tax. The logger who wishes to "cut and run" will provide for re-growth or post a deposit.

The problems of the Interior were considered as distinct from those of the rest of the province. Such questions as salmon streams, "ghost towns," erosion and hydro-power warrant control of all operations, the report continued. This would keep one mill going in "thin" areas where free competition would mean disaster for all.

Precedents for the Forestry Commission recommended in the report were seen in Workmen's Compensation Boards, Public Utility Commissions and Liquor Commissions.

The Commission would deal with specialized and technical fields and should be composed of members of "proven ability, personal integrity, sound judgment and with general business experience." Professional foresters and men in the Industry are not ruled out but it is stressed that appointees must qualify as outstanding citizens rather than group representatives.

Expert advice can come from a council representing industry, concludes the Chief Justice. The only appeals he would allow from the Commission's decisions would be on points of law referred by it to the Courts at the request of a dissatisfied party.

This Commission should assess forest industries and collect necessary taxative levies if normal sources of revenue are insufficient. Its jurisdiction must extend over all aspects of forestry including extraction and conversion operations.

### Some Comments

A provincial official remarks that this plan departs from "democratic" principles. Normally the public is served by a staff under a minister who is responsible to a Legislature. And the framework of fees is prescribed by statute.

• • •

Operators see some adoption of their views. The coastal forest operators' brief called for a commission on fire protection, increase in education and research, more revenues "plowed back" and more highly trained personnel.

• • •

One representative declared himself satisfied with the restrictions on appointments to the proposed Commission. "Industry wouldn't want to be represented," he says. "This should be a general commission like Ontario's Hydro; industry can express its views through the proposed advisory council."

• • •

"Most parties should be satisfied with the report," the agent of a Dominion-wide firm hazarded. He points out that many differences were ironed out at the hearings.

### Increased Education Facilities

Increased facilities at the University of British Columbia leading to degrees of Bachelor, Master and Ph.D. in Forestry are recommended. In addition it is recommended that forestry subjects be included in the elementary school curriculum.

The present over-lapping of Dominion and Provincial services in insect control and research could be avoided by closer co-operation, it is felt. Related to this is the problem of Dominion taxation. Here the operator could be allowed more generous and more certain exemptions for depletion and reforestation costs.

Surveying the record of previous governments which had contributed to the province's unsound situation, the commissioner referred to the report of a royal commission appointed in 1910 to inquire into forestry matters. The commission at that time predicted that continuation of the practice of treating forestry receipts as income instead of capital "would be utterly unsound in principle and might produce disastrous results in the ultimate impairment of the public estate."

Mr. Sloan declared: "It is regrettable to have to record that for thirty-five years this recommendation has been consistently ignored and disregarded by succeeding governments."

### Reasons for Decline

As a result of British Columbia's backwardness in forestry, he declared, the province's forest resources had become "a slowly descending spiral." He listed some of the reasons for this condition:

(a) "Our coast forests are in an unbalanced state of growth in that about 75% of our productive forest land on the Coast is covered by mature and over-mature forests adding little, if any, annual increment."

(b) "The forests and forest reserves are not being managed to ensure their continued productivity due to lack of adequate funds and personnel necessary to effectuate this purpose."

(c) "Annual depletion on the Coast from logging, net fire and insect losses, averages 2.8 billion board feet and depletion in the Interior from these same causes averages 1.06 billion annually."

(d) "Assuming a rotation age of 60 years the allowable annual cut on the Coast must not exceed 35 billion feet during the next ten years."

(e) "Reduction of logging and sawmill waste and its utilization are economic imperatives."

(f) "Standard sawmills and pulp and paper mills generally are of high standard and are adapting these processes to meet the exigencies of the future."

(g) "The export of Douglas fir and hemlock logs should be discouraged."

### Remedies Suggested

The Commissioner suggests the following specific remedies:

(I) Fire protection must be greatly increased.

(II) The rate of planting denuded areas of productive forest land—especially on the Coast—must be greatly increased.

(III) Logging methods must be regulated to prevent destructive exploitation and to ensure full regen-

(Continued on page 19)

—Photo by Karsh.

**Doyen of Canada's tariff administration and recognized throughout the Dominion as an outstanding expert in trade matters, Hector B. McKinnon will chair the newly named Trade and Tariff Committee. He will receive briefs on trade and tariff matters from industries and businessmen across Canada. Deadline for the filing of briefs (ten copies of each are required) has been set for Jan. 31, after which personal appearances**

# *Oppose Specific Duties In First of Tariff Briefs*

### Merchandising Firm Also Criticizes Arbitrary Revaluation in Document That Shows Protective Wall as High as 107% in Some Cases

One of the first tariff briefs to appear has been prepared by one of Canada's largest merchandising organizations. Although not drafted for submission to Hector B. McKinnon's new Federal Trade and Tariff Committee, the brief obviously fits in with that body's requirements. It presents a strong argument in favor of downward revision of tariffs on nonfood consumer goods, citing instances in the textile field where duty, exchange and sales tax amount to as much as 107.6% of original invoice cost on an item although ad valorem duty amounted to only 36%. One of the chief values of the brief is the light it sheds on the actual height of the present tariff wall.

### Attack Specific Duties

The brief singles out specific duties and arbitrary revaluation of imported goods as the most onerous burdens imposed by the present Canada Customs Act and lists specific examples of both to show the inequities of their operation. From other sources, information has been gathered concerning duties on durable consumer goods. Tariff rates are not as high as in the textile field, but still amount to as much as 63% of original cost in some instances.

Describing specific duties as "a most iniquitous form of tariff in its operation," the brief submits that some textile lines are subject to duty on a basis of weight or square measure rather than value. Effect of this is to place "a disproportionate burden" on low-cost goods and establish a "regressive" form of taxation, whereby the percentage of tax in low-cost lines is higher than in the higher price range. This, the company declares, discriminates against the low-income groups.

### Arbitrary Revaluation Scored

The Customs Act clause which permits arbitrary revaluation of imported goods for duty purposes, according to the brief, has resulted in erection of "a hidden and arbitrary form of tariff protection" for some Canadian producers. The brief recommends that the export price of all nonfood consumer goods be established by law as the valuation for duty purposes, providing the export price coincides with the home market price. In other words, an article normally retailing at $1 in U. S. should not be valued at more than $1 by custom officials for duty purposes. Under existing regulations, arbitrary valuations can be fixed if the Department of National Revenue feels that the declared price "prejudices the interest of Canadian producers."

Examples of the effect of present rates of duty on nonfood consumer goods imported from the United States include the following, showing in brackets the duty that would be charged on the same ad valorem basis if the specific duty were eliminated: (Sales tax and exchange rates are included in each case)

| | Present rate | If Specific Duty Eliminated |
|---|---|---|
| | % | % |
| Artificial silk Bengaline | 107.6 | 74.8 |
| Ladies' hats, wool felt | 78.9 | 71.2 |
| Drapery fabric (69% cotton, 31% rayon) | 100.3 | 74.3 |
| Cotton scatter rugs | 84.9 | 68.2 |

Examples of duty rates before and after revaluation are cited as follows:

| | After Revaluation | Before Revaluation |
|---|---|---|
| | % | % |
| Knitted cotton sweaters | 101 | 73 |
| Infants' cotton dresses | 93 | 67 |
| Women's artificial silk dresses | 97 | 71 |
| Printed cotton fabrics | 71 | 48 |
| Table oilcloth | 54 | 49 |
| Cotton overalls | 67 | 55 |

### See Low-cost Items

The brief points out that all items were in the low-cost group. Sweaters, infants' dresses and overalls were considerably less than $1 each, wholesale. In each case, it continues, the exporter attested the export price represented the fair market value at the time and place of shipment, but the goods were arbitrarily revalued and dumping duty imposed.

Examples of the effect of current tariff rates as applied to durable consumer goods from U. S. (duty, sales tax and exchange included) are cited as follows:

| | % |
|---|---|
| Steel pots and pans | 55.02 |
| Refrigerators | 49.35 |
| Radios | 63.23 |
| Sewing machines | 37.35 |
| Stoves | 54.96 |
| Oil heaters | 54.1 |

# Cockshutt Seeking Volume Market Will Sell Tractors Through Co-ops

**Gordon Cockshutt and Combine**

**Sales Volume Must Match Plant Capacity**

Rounding out his company's expansion program this week, C. Gordon Cockshutt has announced agreements to sell Cockshutt Plow's farm equipment through two large co-operative systems, one in Canada and one in the United States. Previously, Cockshutt Plow had reported its entry into the tractor field and its expansion of combine output through the use of the former aircraft fuselage plant which it operated during the war.

Latest step will, it is hoped, give Cockshutt a sales volume to match its enlarged production capacity. Cockshutt's entire postwar philosophy is aimed at big volume and low costs. Only by attaining and maintaining peak volume, thinks Mr. Cockshutt, can Canadian industry develop its full possibilities.

Canadian Co-operative Implements, Ltd., will handle Cockshutt tractors, harvester combines, swathers and tiller combines; National Farm Machinery Co-operative, Inc., will handle tractors, harvesters, plows and haying machinery in the United States.

The Canadian announcement was made jointly by C. Gordon Cockshutt, chairman and president of Cockshutt Plow Co., and John B. Brown, president of Canadian Co-operative Implements, Ltd.

Equipment will continue to be marketed in Canada and the United States through the usual dealer channels under the Cockshutt name and colors. Lines produced for each co-operative will be identified by the co-op name and distinctive colors. They will be sold at the same prices, terms and discounts as the regular Cockshutt dealers quote.

### Solve Volume Problem

The company has planned to produce its own designed farm tractors in Brantford, the first turned out in Canada since about 1922. Their manufacture here has hitherto been hampered by lack of volume in the domestic market which made it impossible to get the price down to a competitive basis, Mr. Cockshutt explained. These new agreements make it possible and practical to manufacture tractors in Canada.

Canadian Co-operative Implements has about 50,000 members in the Prairie Provinces (mainly in Saskatchewan.) National Farm Machinery Co-operative is composed of 12 individual co-ops which have a wide distribution in the mid-western states.

Due to the shortage of supplies resulting from labor and material difficulties, only harvester combines and swathers will be supplied Canadian Co-operative in 1946 but the four lines will be supplied in 1947. The volume of business with National Co-operative is expected to be over $1.5 millions for 1946.

### Dealers Won't Be Hit

Confidence that the new arrangements would not interfere in any way with the present relationship between Cockshutt Plow Co. and its dealers across Canada was expressed by both Mr. Cockshutt and Mr. Brown. Since 90% of the members of the latter's company are not regular Cockshutt customers, this will increase popularity of Cockshutt-made machines in each district without interfering with present customers, Mr. Cockshutt explained. In addition, he said, dealers will have their own tractor manufactured in their own plant and the advantage of engineering and research which accompanies volume.

As it will take time for production to reach capacity and to satisfy the demand, the present Oliver-made tractors will continue to be available to dealers for some years, it is stated.

# France To Be Canada's Third Best Buyer

### $243 Millions Credit Will Help to Finance French Purchases

OTTAWA (Staff)—France becomes Canada's third largest customer with announcement recently that expected purchases in the 20 months ending Dec., 1946, will total $345 millions.

Robert H. Berniere, president of the French Supply Council in Canada, states that orders for $153 millions have been placed since April, 1945. Balance of the purchases will be spread through 1946.

Of the total expenditure, France expects to pay $102 millions in cash. The balance will be covered by the Canadian credit, terms for which have now been concluded. The credit bears interest at 3% and is repayable over a 30-year period.

French plans for Canadian purchases (subject to ability of the buyer to negotiate suitable price and delivery terms with individual Canadian manufacturers or suppliers) as as follows:

$170 millions for industrial equipment including hardware, farm machinery, machine tools, factory and railway equipment, ships, trucks, planes, construction equipment and prefabricated houses.

$32 millions for food and agricultural products including wheat, meat, fish, fodder, horses.

$56 millions for minerals, chemicals, textiles, pulp and paper, steel and drugs.

$60 millions for wheat for French North Africa (if obtainable).

$10 millions for purchases on behalf of French colonies.

$17 millions for transportation and other costs.

To date, French authorities have placed orders for only eight vessels in Canada. These are 7,200-ton ships, being built at a cost of $14 millions at Sorel and Lauzon, Que. Also under construction are 140 locomotives costing $18 millions . . . 100 being built in Montreal and 40 in Kingston.

Since last spring, 150 ships have carried one million tons of cargo from Canada to France. Of this, 860,000 tons was wheat; the balance other foods, industrial supplies, chemicals, paper, trucks and farm machinery.

# Check-List on Dominion-Provincial Proposals

In the table below, The Financial Post presents a terse summary of the Dominion Government proposal together with the counter-proposals of those provinces which have issued briefs differing in any marked degree from the Ottawa plan.

For space reasons, the Ottawa plans for health insurance, health grants and hospital construction have been omitted. No counter-proposals have been submitted on these questions, although Ontario has rejected them until further study has been made. On health insurance, Ottawa proposed to aid the provinces by a subsidy of up to $12.06 per capita, the entire plan to cost Ottawa $150 millions and the provinces a total of $100 millions. Health grants to assist the provinces in tuberculosis care, mental health, etc., were offered by the Dominion, total amounts of the grants to be $13.6 millions. Ottawa also proposed to contribute 20% of the cost of hospital construction, as well as making favorable loan terms available to hospitals. Quebec and Maritimes omitted here because no overall plan or reaction so far released.

| | DOMINION | ONTARIO | SASKATCHEWAN | ALBERTA | MANITOBA | BRITISH COLUMBIA |
|---|---|---|---|---|---|---|
| **PERSONAL INCOME TAXES** | Exclusive Dominion jurisdiction—<br>One tax act<br>One tax rate<br>One tax collector | Ottawa to be tax collector for itself and provinces — but provinces to set own rate under uniform Dom. Act<br>One tax act<br>One tax collector<br>Up to 10 tax rates | Broad agreement with Dominion proposals | Joint Dominion and provincial taxing authority | Agreement with Dominion proposal | Dominion proposal rejected until subsidy arrangement adjusted upwards |
| **CORPORATE TAXES** | As above | As above — except that advantages of head office location to be shared by all provinces | Broad agreement with Dominion proposals | Joint Dominion and provincial taxes with Dominion tax reduced in amount of the provincial tax | Agreement with Dominion proposal | |
| **SUCCESSION DUTIES** | As above | Exclusive provincial jurisdiction—<br>One act<br>Nine collectors up to 9 rates | Broad agreement with Dominion proposals | Joint Dominion-provincial taxing authority | Agreement with Dominion proposal | |
| **SUBSIDY PLANS** | $12 per capita annually to each province, adjusted in the amount that gross national production varies from 1941<br>Minimum provincial distribution: $138 millions | Creation of a national pool financed uniformly by all provinces setting aside 10% of their personal income tax, corporate tax and succession duty revenues. Apportionments to be made on basis of social service record | Dominion subsidy to be adjusted to individual provincial needs | Proposes $16 per capita Dominion subsidy which would be reduced by amount of the provincial corporation tax | Increase per capita subsidy from level now proposed | Subsidy must be sufficient to give province in any year at least the amount the province would realize by imposing their own taxes at the last effective tax rates. Present Dominion subsidy proposal does not meet this criterion |
| **OLD AGE PENSIONS** | Age: 70 and over<br>Amount: $30 per month<br>Means test: No<br>Est. annual cost: $200 millions<br>Dominion share: 100%<br>Administration: Federal | In agreement with Dominion proposal | In agreement with Dominion proposal provided that pension be at least $35 monthly | Agreement with Dominion proposal provided pension payment increased | Agreement with Dominion proposal | Old age pensions to be a national responsibility on a contributory basis |
| | Age: 65-69<br>Amount: $30 per month<br>Means test: Yes<br>Est. annual cost: $34 millions<br>Dominion share: 50%<br>Provincial share: 50%<br>Administration: Provincial | Recommends pension for those over 65 without means test as soon as Dominion has necessary financial resources | In agreement with Dominion proposal providing "means test" be eliminated | Proposes full Dominion responsibility at a higher monthly rate. | Agreement with Dominion proposal provided "means test" eliminated | Would not accept Dominion proposal without a residence clause |
| **UNEMPLOYMENT** | The Unemployment Insurance Act will be widened as rapidly as possible to cover all persons employed for wages | | Broad agreement with Dominion provided that unemployment insurance be extended to farmers (presently excluded) by guaranteed minimum farm prices and crop insurance scheme | | Problem can't be dealt with until final settlement reached on question of Dominion-provincial fiscal relationship | Dominion to accept full responsibility for unemployment with farm-labor and self-employed persons covered by unemployment insurance |
| | Employable unemployed — who have no unemployment insurance rights—<br>Dominion responsibility | In agreement with Dominion Government proposal | | | | |
| | Unemployables—<br>Provincial responsibility | Joint responsibility—<br>Dom. share of cost 75%<br>Prov. share of cost 25%<br>Administration: Provincial | | | | |
| **NATIONAL HEALTH PLANNING BOARD** | Dominion will grant $5,000 per province plus 5c per person according to 1941 regulation distribution<br>Maximum Dom. grant—<br>$620,000 (nonrecurring) | Rejected by Ontario until further study has been made | Broad agreement with Dominion proposals | To accept proposed Dominion grant of $847,400 but without accepting proposed Dominion distribution as between various health services | Can't rationally assess Dominion proposal until level of Dominion subsidy agreed upon | General agreement with Dominion proposals |

# *Manitoba, Sees Tourist Boom Cars, Guns, Are Barometers*

From Our Own Correspondent

WINNIPEG—Automobile entries and shooting licenses, both regarded as indexes of postwar tourist business, hold out big promise of what Manitoba may expect in 1946.

The war's end saw an immediate increase in car entries from the United States. Except for British Columbia, the percentage of increase in the first 11 months of 1945 was higher in Manitoba than in any other province. Entries for 16-hours or longer were 8,350, more than double for the same period in 1944.

In the recent game bird open season, sales of non-resident licenses were 499, highest on record. Licenses were taken out by 9,758 Manitoba residents to shoot game birds and 14,348 to shoot deer and moose—an all-time high. Seventy-four of the big game hunters were non-residents, nearly all from the United States. Except for 1944, this is the biggest number of non-resident big game licenses ever issued.

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***Growth Cities of Canada-VII***

# Kitchener, Industrial Hub of Western Ontario Has Practically No Reconversion Problem

**Kitchener, home of more than 100 substantial industries and business establishments, has practically no postwar reconversion problem. Situated within a 100-mile radius of one tenth the total population of Canada, the Waterloo county metropolis looks forward to a future even more vital to Canada than its past. Kitchener definitely "rates" for the position accorded it as seventh in The Post's series "Growth Cities of Canada."**

To the people and the business enterprises of Kitchener, postwar industrial reconversion has brought little of the upheaval or uncertainty experienced recently in some other major manufacturing centres. In this respect, local history of 1918 has repeated itself.

Secret of the Kitchener area's smooth transition—indeed it is the chief reason for the city's stubborn industrial growth through the decades—is the diversity of its manufactured products, its richness in medium to light industry supplying wide consumer markets.

True, Kitchener shares the national economic uncertainties. Reduction of Empire Preference may involve considerable shock to its important rubber and meat processors. And the outlook for the domestic market has been made less clear by labor strife and reconversion bottlenecks.

But the industries of the Kitchener area, because virtually none of them was built for war, have slipped with little retooling into very nearly full-scale manufacture of rubber, leather and clothing lines, furniture, processed meats, light machinery and the like. There are no vacated war plants and there has been very little transitional unemployment.

That is Kitchener's story in a nutshell — a hundred substantial establishments, a score of classes of consumer product, long-established demand in British, domestic, regional and local markets. Diversification of industry clearly is this city's high card in the prosperity stakes of the late 1940's and beyond.

### Nest of Communities

The regional market alone is an unusually rich one. Within a radius of 100 miles live 10% of all Canadians. And virtually at Kitchener's doorstep, besides Waterloo, immediately adjoining, are Guelph (23,000), Stratford (17,000), Galt (15,000), Preston (7,000) and the smaller communities of Hespeler, Elmira and New Hamburg. Waterloo is a virtual part of the Kitchener body geographic. Besides being important industrially, this community of communities is centre of a mixed farming territory widely known for productivity.

Niagara power rises only 90 miles away. Here is a little historic sidelight on Kitchener's place in the hydro-electric power picture. It is from the late Sir Adam Beck, "father of Ontario hydro," in a speech Oct. 11, 1910. Said Sir (then Hon.) Adam:

"The event we celebrate marks the inception of the greatest municipal enterprise on the continent. It is fitting that Niagara power should be first turned on in Berlin (as Kitchener was then named), home of the men of vision who called the first meeting to consider ways and means of procuring electric power for manufacturing and other purposes. Of the dozen original contracting municipalities, six are in Waterloo county."

There are many historic distinctions in Kitchener's background, not least the fact that it is the birthplace of Canada's present Prime Minister, Rt. Hon. William Lyon Mackenzie King.

### Was Ebytown, then Berlin

Why Kitchener has grown 65% in the last 25 years—from a population of under 22,000 in 1921 to an estimated 37,000 now — is a story which really goes back to George Eby's "Ebytown" of 1804.

The story embraces the sturdy, freedom-loving German Mennonites who a few years before took the long wagon trails from Pennsylvania into the forested Canadian wilderness which is now Waterloo township and Waterloo county.

Family names of those pioneers —Schoerg, Betzner, Biehn, Bechtel, Riechert, Bricker, Kinzie, Shupe, Meyer, Stauffer and many another—suggest the solid burgher virtues and self-reliance which gave rise to an ever-increasing variety of consumer manufactures.

The settlement, beginning with buttons and tools, sauerkraut and beer, by 1850 had become Berlin, a thriving town of four woodworking plants, a brewery, soap chandlery, two brickyards, two saddleries, five weavers' handlooms and a hatmaker's shop. Berlin then had 782 people, 123 wooden homes, three schools, four stores, four taverns, five churches.

From these beginnings and these families grew most of Kitchener's many industries of today. As just one example of how the city's major industries originated locally, its first rubber products plant (footwear) was opened in 1899 as Berlin Rubber Co., by George Schlee, Jacob Kaufman, A. L. Breithaupt and Louis Weber. Not many years later, Kaufman organized Merchants' Rubber Co. and built a much larger rubber footwear plant which was sold in 1906 to Dominion Rubber Co., the present owner.

Berlin became a city in 1912 in which year Dominion Rubber built its automobile tire plant, Goodrich of Akron came in 1922.

### Manufacturing is Mainstay

Today, manufacturing far outranks trading and services in creating Kitchener's wealth. In 1941 the city ranked 10th among Canadian producing centres, with manufactured goods valued at over $84 millions. The city has 154 industries producing 215 different commodities, is an internationally known furniture centre—Canada's "Grand Rapids." Kitchener's dozen industrial leaders rank something like this (number of employees at last survey in brackets):

Dominion's tire factory (1,257).
B. F. Goodrich Rubber (1,123).
Dominion Merchants' Rubber (842).
J. M. Schneider, meats (552).
Dominion Electrohome Industries, household equipment (530).
John Forsyth, clothing (513).
Burns & Co., Eastern, meats (471).
Cluett, Peabody of Canada, clothing (412).
Kaufman Rubber (376).
Lang Tanning (355).
Canadian Blower & Forge (214).
Canada Cabinets & Furniture (197).

Thus Kitchener's main dependence is on what its people consider "sure things," year 'round, national market staples which in the main are considered as essentials and therefore manage well in periods of reduced domestic purchasing power — tires and other rubber products, footwear and clothing, leather and leather goods, processed meats, furniture and home equipment.

It is true that furniture took a licking in the depression of the 1930's as home building and improvement almost stopped; the Canadian furniture industry with 11,899 employees paid $11.9 millions in 1929, peak year, dropped to 7,120 workers paid $4.6 millions while Kitchener furniture output dropped from $11 millions to $1 million.

However, this industry has since enjoyed a steadily increasing volume of business and now appears able to count on a huge postwar market for furniture and home mechanical equipment.

### Rubber Products Lead

To find out just what makes Kitchener prosper, the observer will take a further look at its job figures. He will learn that of Kitchener's total working force — which following reconversion adjustments, appears to be settling at 14,000 to 15,000, roughly 75% are engaged in the manufacturing establishments that bring new money into the community from widely distributed markets; are making the kind of goods that generate Kitchener's prosperity.

Kitchener's chief generator industries and their employees line up something like this (figures are approximate):

Rubber tires, rubber footwear, etc., about 3,700 (37% of the total "generator" industries payroll); clothing, other textile products, buttons and gloves, about 1,660 (16%); furniture, home equipment and baggage, about 1,530 (15%); leather, footwear and clothing, about 1,230 (12%); meat packing, about 1,050 (10%); metal products and light machinery, about 1,030 (10%).

Kitchener sells its rubber products to all Canada, India, Australia and New Zealand, bringing in raw material from the government-owned Polymer synthetic rubber plant at Sarnia and the trading markets dealing in East Indies natural rubber. Its furniture and household equipment, sold mostly in Canada, is made largely from Ontario woods and hardware, mirror glass from United States.

Its clothing and leather working industries serve all Canada, Newfoundland and, to a limited extent, United States, consuming the product of Quebec and Ontario textile mills, Canadian, U. S. and South American hides. Its meats are processed from livestock raised mostly in Ontario but some also in the West.

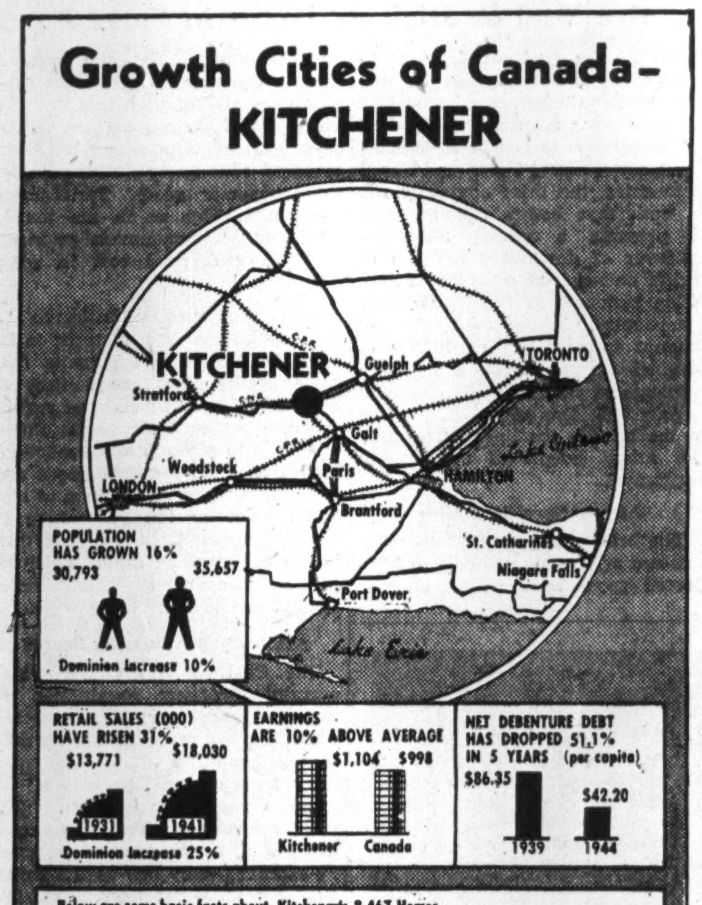
Its metal products and light machinery are sold largely in its own populous Ontario region but also, and particularly in the case of Dominion Electrohome Industries, widely in the rest of the country.

The regional transportation network is exceptionally efficient. Kitchener is within approximately 60 miles of several important Great Lakes ports, mainly Hamilton and Toronto. It is directly served by the Toronto-Sarnia CNR line and connected by means of the CPR-owned Grand River (electric) Railway with nearby Galt, on the CPR Toronto-Detroit mainline. It is the centre of a highly developed highway network, provincial, county and township. A major airport to serve the whole district, will replace the present small one if postwar planning materializes.

Rich in parks, churches, owner-occupied homes, schools and hospitals, with a utilities service characterized by marked efficiency and low rates for both industrial and domestic users, Kitchener boasts as well a skilled and demonstratedly common-sense labor force and a remarkable degree of citizen health.

With all these assets and many more, Kitchener clearly is a city with an even more important future, a vital role in the shaping of Canada's tomorrow.

**Growth Cities of Canada- KITCHENER**



**Below are some basic facts about Kitchener's 8,467 Homes**
**Also shown (in brackets) are comparative figures for Canadian cities of 30,000 or over**

45.7% are owner occupied (40%)
73% are single family homes (42%)
average value is $4,257 ($3,853)
63.4% have mortgages (46%)
28.0% need repair (17%)
95.0% have furnaces (64%)
95.8% use coal or coke (73%)
97.9% cook with gas or electricity (77%)
49.0% have mechanical refrigerators (35%)
91.6% have a radio (90%)
60.2% have a telephone (57%)
55.0% have a vacuum cleaner (41%)
44.7% have a car (31%)
27.1% have all four of these (18%)

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## Position of Chartered Banks of Canada as of November 30, 1945, Shown by Monthly Returns to Minister of Finance

LIABILITIES

| NAME OF BANK | Notes in Circulation | Deposits by and Bal. Due to Dominion Government | Deposits by and Bal. Due to Provincial Governments | Advances from Bank of Canada Secured | Demand Deposits in Canada | Savings Deposits in Canada | Deposits in Canada in currencies other than Canadian | Deposits Elsewhere | Bal. due to other Banks in Canada | Due to banks in U.K. | Due to Banks Elsewhere |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal | 6,486,024 | 317,012,431 | 23,475,569 | ............ | 497,164,641 | 669,835,024 | 8,840,547 | 133,990,722 | 3,926,276 | 14,579,090 | 20,651,643 |
| Nova Scotia | 2,424,910 | 82,504,992 | 911,560 | ............ | 141,945,647 | 237,699,497 | 1,096,484 | 105,072,232 | 6,624,866 | 1,051,948 | 4,514,732 |
| Toronto | 866,748 | 61,252,590 | 2,473,164 | ............ | 100,568,528 | 165,036,558 | 314,560 | ............ | 677,184 | 1,736,640 | 1,316,709 |
| Provincial | 580,830 | 14,145,121 | 277,392 | ............ | 26,368,985 | 85,874,487 | 50,797 | ............ | ............ | ............ | 72,986 |
| Commerce | 5,477,107 | 178,874,887 | 17,688,971 | ............ | 415,147,913 | 535,503,853 | 5,746,907 | 96,898,763 | 9,195,768 | 7,260,773 | 12,238,404 |
| Royal | 7,007,429 | 239,923,672 | 26,022,581 | ............ | 579,547,108 | 607,343,927 | 28,837,632 | 379,660,626 | 3,465 | 4,240,801 | 23,177,258 |
| Dominion | 970,196 | 46,657,127 | 1,505,655 | ............ | 95,328,975 | 139,855,290 | 753,898 | 9,791,031 | 2,458,312 | 3,608,497 | 1,150,580 |
| Nationale | 987,342 | 52,627,377 | 1,846,194 | ............ | 73,046,039 | 204,156,906 | 728,435 | ............ | 1,608,489 | 42,258 | 1,014,450 |
| Imperial | 1,154,197 | 54,715,881 | 23,353,814 | ............ | 111,265,516 | 163,512,869 | 809,259 | ............ | —2,168,673 | 1,383,031 | 1,959,538 |
| Barclays | 160,500 | 5,351,174 | 34,650 | ............ | 5,973,651 | 7,399,173 | 6,612,069 | ............ | 246,038 | 3,144,752 | 1,340,177 |
| Total | 26,115,283 | 1,053,065,252 | 97,589,550 | ............ | 2,046,357,003 | 2,816,217,584 | 53,790,588 | 725,413,374 | 26,909,071 | 37,047,790 | 67,436,477 |

| NAME OF BANK | Letters of Credit outstanding | Other Liabilities | Dividends Declared and unpaid | Reserve Fund | Capital Paid Up | Total Liabilities |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Montreal | 15,554,622 | 423,032 | 549,258 | 39,000,000 | 36,000,000 | 1,787,488,884 |
| Nova Scotia | 29,845,914 | 1,572,748 | 10,851 | 24,000,000 | 12,000,000 | 651,276,385 |
| Toronto | 2,146,617 | ............ | 150,509 | 12,000,000 | 6,000,000 | 354,539,809 |
| Provincial | 108,991 | 4,386 | 54,897 | 1,000,000 | 4,000,000 | 132,538,876 |
| Commerce | 23,643,693 | ............ | 36,967 | 20,000,000 | 30,000,000 | 1,357,714,010 |
| Royal | 49,482,848 | 1,480,446 | 572,660 | 20,000,000 | 35,000,000 | 2,002,30[illegible],360 |
| Dominion | 7,800,424 | 88,019 | 4,244 | 7,000,000 | 7,000,000 | 323,972,254 |
| Nationale | 686,690 | 73,738 | 112,366 | 5,000,000 | 7,000,000 | 348,930,289 |
| Imperial | 4,523,735 | ............ | 4,363 | 8,000,000 | 7,000,000 | 379,850,880 |
| Barclays | 1,619,222 | 11,358 | ............ | 750,000 | 1,500,000 | 34,142,768 |
| Total | 135,412,756 | 3,653,727 | 1,496,115 | 136,750,000 | 145,500,000 | 7,372,754,615 |

SUPPLEMENTARY INFORMATION

| NAME OF BANK | Capital Authorised | Capital Subscribed | Last Dividend | †Loans to Directors and firms of which they are partners | Greatest Amount of Notes in Circ. | Bills rediscounted with Bank of Canada |
|---|---|---|---|---|---|---|
| | $ | $ | % | $ | $ | $ |
| Montreal | 50,000,000 | 36,000,000 | 6 | 545,774 | 6,615,601 | ............ |
| Nova Scotia | 15,000,000 | 12,000,000 | 10 | 2,275,698 | 2,464,456 | ............ |
| Toronto | 10,000,000 | 6,000,000 | 10 | 460,182 | 881,868 | ............ |
| Provincial | 5,000,000 | 4,000,000 | 5 | 21,700 | 599,085 | ............ |
| Commerce | 50,000,000 | 30,000,000 | 6 | 1,007,958 | 5,591,225 | ............ |
| Royal | 50,000,000 | 35,000,000 | 6 | 1,124,555 | 7,177,330 | ............ |
| Dominion | 10,000,000 | 7,000,000 | 8 | 1,137,491 | 993,906 | ............ |
| Nationale | 10,000,000 | 7,000,000 | 6 | 98,891 | 1,015,497 | ............ |
| Imperial | 10,000,000 | 7,000,000 | 8 | 543,038 | 1,177,027 | ............ |
| Barclays | 1,500,000 | 1,500,000 | ......... | 4,047 | 166,885 | ............ |
| Total | 211,500,000 | 145,500,000 | ......... | 7,219,334 | 26,682,880 | ............ |

†And loans for which they are guarantors.

ASSETS

| NAME OF BANK | Gold and Subsidiary Coin held in Canada | Gold and Subsidiary Coin held Elsewhere | Notes of Bank of Canada | Deposits with Bank of Canada | Notes and Cheques on Other Banks | Govt. and Bank Notes other than Canadian | Balances due by other banks in Canada | Due by banks in U.K. | Due by banks elsewhere | Dom. Gov. Short Term Sec. | Dom. Gov. Long Term Sec. | Prov. Gov. Short Term Sec. | Prov. Gov. Long Term Sec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 2,345,761 | 22,235 | 33,705,754 | 114,736,156 | 81,273,140 | 817,479 | 44 | 2,612,092 | 35,066,671 | 358,519,847 | 490,178,690 | 42,821,036 | 65,184,462 |
| Nova Scotia | 699,642 | 961,850 | 13,412,292 | 29,512,745 | 27,923,671 | 23,904,372 | ............ | 2,191,770 | 21,646,150 | 91,524,111 | 132,671,576 | 11,543,657 | 11,491,780 |
| Toronto | 506,065 | ............ | 6,979,999 | 33,096,677 | 14,924,677 | 157,342 | ............ | 854,443 | 6,765,948 | 64,821,679 | 118,734,760 | 1,708,106 | 11,138,914 |
| Provincial | 435,617 | ............ | 3,403,718 | 9,540,656 | 5,130,524 | 33,401 | 4,216 | 19,734 | 1,848,741 | 28,179,328 | 26,450,501 | 4,484,102 | 12,071,062 |
| Commerce† | 1,610,399 | 147,448 | 24,783,462 | 87,783,910 | 50,967,952 | 1,675,026 | ............ | 3,048,871 | 26,673,024 | 224,553,443 | 415,584,574 | 21,053,014 | 19,306,011 |
| Royal | 1,946,427 | 1,619,009 | 36,103,430 | 118,354,914 | 97,040,916 | 65,481,342 | 6,303 | 16,356,891 | 81,280,915 | 320,148,213 | 499,261,731 | 39,689,622 | 22,940,299 |
| Dominion | 531,226 | 359 | 4,609,952 | 30,282,440 | 13,936,192 | 225,424 | ............ | 1,011,139 | 5,955,32[illegible] | 56,187,781 | 104,370,126 | 772,062 | 1,023,452 |
| Nationale | 1,023,155 | ............ | 9,949,975 | 35,485,178 | 10,663,433 | 100,935 | 2,876,703 | 108,822 | 1,879,794 | 68,584,239 | 88,329,168 | 7,263,842 | 20,079,319 |
| Imperial | 569,281 | ............ | 8,228,982 | 33,337,622 | 16,557,047 | 319,542 | 714,651 | 463,605 | 10,849,939 | 93,959,290 | 71,790,737 | 5,090,239 | 4,940,228 |
| Barclays | 7,434 | ............ | 197,601 | 3,094,717 | 543,391 | 5,371 | 137,810 | 1,709,206 | 4,893,857 | 4,566,838 | 9,827,298 | 624,125 | 644,166 |
| Total | 9,675,006 | 2,750,901 | 141,375,165 | 495,225,015 | 318,960,943 | 92,720,234 | 3,739,787 | 28,376,573 | 196,860,361 | 1,311,044,769 | 1,957,199,161 | 135,049,805 | 168,819,693 |

| NAME OF BANK | Canadian municipal securities | Public Securities other than Canadian | Other bonds and stocks | Call and short loans in Canada | Call and short loans elsewhere | Current loans in Canada | Current loans elsewhere | Loans to provincial governments | Loans to municipalities | Non-current loans | ‡Real estate other than Bank premises | Bank Premises | Deposit for note circulation | Other assets | ▴Total assets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 21,505,656 | 60,901,663 | 29,971,466 | 34,7[illegible],803 | 52,631,684 | 296,674,755 | 15,585,396 | 11,498,633 | 9,550,159 | 309,538 | 838,606 | 10,572,886 | 409,076 | 2,640,061 | 1,790,677,387 |
| Nova Scotia | 8,313,625 | 26,210,746 | 13,412,921 | 42,077,488 | 4,432,500 | 132,427,222 | 16,159,324 | 2,963,067 | 1,076,608 | 83,363 | 63,603 | 5,700,278 | 150,943 | 2,364,788 | 652,766,019 |
| Toronto | 4,595,165 | ............ | 6,097,192 | 12,560,541 | ............ | 64,056,023 | ............ | 1,934,689 | 1,789,482 | 21,351 | 11,688 | 3,133,656 | 52,005 | 274,528 | 356,361,556 |
| Provincial | 9,649,799 | ............ | 1,618,114 | 9,656,475 | ............ | 16,433,219 | ............ | 5,813 | 1,411,121 | 25,175 | 460,375 | 1,746,925 | 41,681 | 49,924 | 132,809,222 |
| Commerce† | 8,258,664 | 47,814,924 | 21,106,754 | 33,963,697 | 18,215,669 | 273,165,688 | 24,631,090 | 7,415,659 | 3,580,063 | 161,982 | 915,905 | 15,535,670 | 330,000 | 3,525,746 | 1,359,472,352 |
| Royal | 16,833,989 | 102,198,693 | 32,767,405 | 79,262,857 | 27,184,060 | 283,726,567 | 88,441,196 | 5,070,535 | 4,459,634 | 312,124 | 801,201 | 10,848,254 | 460,000 | 5,467,528 | 2,007,546,978 |
| Dominion | 1,127,640 | 1,525,739 | 2,335,350 | 4,277,127 | 5,564,636 | 77,205,224 | 727,008 | 265,997 | 327,137 | 19,246 | 52,258 | 4,568,619 | 67,648 | 367,683 | 325,137,221 |
| Nationale | 11,065,208 | 554,440 | 4,492,763 | 10,394,201 | ............ | 64,988,700 | ............ | 648,433 | 4,341,788 | 14,093 | 826,808 | 4,623,908 | 73,893 | 294,359 | 349,349,858 |
| Imperial | 6,160,841 | ............ | 2,530,731 | 11,296,733 | ............ | 102,642,291 | ............ | 256,325 | 1,021,934 | 21,044 | ............ | 5,558,982 | 69,736 | 71,059 | 380,974,586 |
| Barclays | ............ | 2,249,729 | ............ | 275,900 | ............ | 3,001,179 | ............ | ............ | ............ | 8,156 | ............ | 781,557 | 16,575 | 10,644 | 34,214,784 |
| Total | 87,510,587 | 241,455,934 | 114,332,696 | 238,514,822 | 108,028,549 | 1,314,320,868 | 145,544,014 | 30,059,161 | 27,557,926 | 976,072 | 3,970,444 | 63,070,735 | 1,691,557 | 15,066,320 | 7,389,309,963 |

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

■Includes mortgages.

▴Total assets include $135,412,756 letters of credit outstanding as shown in liabilities.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of The Royal Bank of Canada (France) are included in the above general statement—Footnote to The Royal Bank of Canada Return.

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## INCOME TAX

### Stock Market Losses

If I purchase securities and later am obliged to sell them at a loss, may I deduct the loss from my income for income tax purposes? I am a professional man and not regularly in the business of buying and selling stocks.

As you are not a professional trader in stocks you are not permitted to deduct your stock market losses from income for tax purposes. They are treated as capital losses. Conversely, if you made a profit you would not be expected to report it as income, it being regarded as capital gain.

### Fined for Speeding

If I am fined heavily for breaking the highway speed limits may I deduct the fine when making my income tax returns?

No. Fines are not deductible for tax purposes.

## INVESTMENTS

### Chemical Research

Can you give me any reason for the wide advance in the stock of Chemical Research Corp. the last few weeks?

It is attributed mainly to the recent announcement that long-pending litigation with American Locomotive Co. will come up for trial on March 18. This $5 million suit is for damages claimed to have been suffered through alleged breach of contract by American Locomotive Co., the former licensing agent and stockholder of the Gyro Process Co. which is 90% owned by Chemical Research Corp.

The company is a holding company which, through its subsidiary, Gyro Process Co., controls the Gyro vapor phase process for manufacturing gasoline. Any revenue is derived solely from its holdings in the Gyro Process Co. Neither the company nor this subsidiary manufactures or sells oil products, but rights to manufacture under Gyro patents are sold to refining companies.

With a comparatively small capitalization of 800,000 par value $1 shares, the stock has wide leverage possibilities.

### U. S. Stock Trading

In the case of a U. S. citizen trading in Canadian stocks (i) are proceeds from sales convertible into U. S. funds (ii) if so, is same true for margin transactions?

Generally speaking, a U. S. citizen residing in the United States can sell Canadian securities which he has purchased outright since Jan. 8, 1940, with U. S. or Canadian funds sent to Canada, and have the total proceeds of the sale remitted to him in Canadian funds which will be eligible for conversion to U. S. funds in the United States.

However, if the securities are purchased on margin he can only sell securities up to the amount of his debit balance. In this case, any profits made can only be withdrawn in the form of securities.

Securities owned by nonresidents on or before Sept. 16, 1939, may only be sold in Canada providing proceeds of the sale are simultaneously reinvested in other Canadian securities.

The foregoing are general rulings and we would suggest that for an answer to a specific problem you write the Foreign Exchange Control Board at Ottawa, Ont., or else consult a Canadian investment dealer outlining your specific proposal.

### John Labatt

Would you please supply me with information concerning John Labatt Ltd.; capitalization, working capital and profits for the last two years.

Capitalization as at Sept. 30, 1945, consisted of 1,000,000 shares, no par value, of which 900,000 shares were issued and outstanding. There are no mortgages payable and no funded indebtedness. Working capital as at above date, stood at $2,965,752 as compared with $2,924,087 at same date in 1944. Retained net profit for the year ended Sept. 30, 1945, amounted to $1,284,978 as against $1,306,526 for the previous year.

### Vermilata Oils

I understand that Vermilata Oils has entered a merger with several other companies. Will you provide me with the details?

A merger has been approved whereby Vermilata Oils, Apex Oils and Mines, Grande Prairie Petroleums, and Frankview Oils will be consolidated into a new 5,000,000-share company, Apex Consolidated Resources, which will have 3,650,000 shares outstanding and approximately $100,000 cash in its treasury prior to proposed financing.

Under plans as approved, shareholders of Vermilata Oils will be entitled to one share in the new company for each two shares held at present. Apex Oils and Mines shareholders will be entitled to one new share for each two and one-half old shares held, while Frankview Oils shareholders will receive one new share for each 10 shares held at present. Grande Prairie shareholders will receive one share for four.

Besides extensive oil leaseholdings in western Canada, the new company will hold properties in the Rouyn area (adjoining Donalda), in Kirkland Lake, in Chibougamau and elsewhere. It is understood first work will be done on various properties in eastern Canada. No immediate work is apparently proposed for the oil properties. If oil acreage proves of merit, it is likely that it will be leased out to others for drilling.

According to information supplied The Financial Post, financing interests are taking an underwriting on 100,000 treasury shares at 25 cents a share and will receive an option on a further 400,000 to 500,000 shares at the same price. There are no commitments on any further treasury shares.

**JOHN C. PATTESON**

**has been appointed European general manager of the Canadian Pacific Railway Co.**

# FOREIGN TRADE ENQUIRIES

**Herewith The Financial Post offers a further collection of enquiries in a new service to Canadian business. The following are definite trade proposals and enquiries for Canadian goods from firms in foreign countries.**

**The queries here listed come from foreign readers of The Financial Post, other Maclean-Hunter publications and particularly from Industrial Progress, the Maclean-Hunter publication of Canadian trade abroad.**

**As an additional free service, similar concise statements of trade proposals by Canadian firms producing industrial equipment for export will be published by Industrial Progress which circulates in more than 30 foreign countries. Please send your announcements to the same address.**

**The service is designed to facilitate our foreign trade by assisting firms here to find out about foreign business opportunities and to contact foreign business firms directly and immediately.**

**Write The Foreign Trade Service Bureau, The Financial Post, 481 University Ave., Toronto 2, for full information on any bulletin below, and please give the code number preceding the item.**

**D84 ARGENTINA**—Civil engineer asks for catalogues and particulars of hydraulic turbines and hydro-electric plants.

**CM109 ARGENTINA** — Industrial company wishes to purchase, through its executive officer, ferrous and nonferrous metals, steel, tools, etc., and asks for details of prices, and catalogues.

**CM110 NEW ZEALAND**—Motor company planning to purchase lathe and universal milling machines, asks specifications, prices and delivery prospects, to be sent to its machine shop manager.

**G51 CUBA** — Commission representative desires to open correspondence with Canadian manufacturers, with a view to obtaining detailed information, including catalogues and price lists, on the following: radio sets, tile and brick. Bank references given.

**U34 ARGENTINA** — Long established firm of importers and exporters, also operating own factory, with an organization covering all of the Argentine Republic, seeks contact with Canadian firms dealing in yarn products. Bank references given.

**G50 BRITISH WEST INDIES** — Commission agent seeks source of supply in Canada for the following lines: electrical fittings and appliances, radios; draftsmen's tracing linen, etc.; cheap rubber footwear; plastic products; medicated soap; beer; ladies' underwear.

**G49 ENGLAND**—Engineer ready to buy on own account for resale or act as commission representative, seeks contact with Canadian sources of supply of electrical wiring accessories, domestic appliances, radios, lighting equipment, etc., with full particulars, including price lists and catalogues.

**D83 INDIA**—Engineering company now representing several British and U. S. firms of high standing, includes extensive bank and general references in seeking to establish similar sole agencies for India for Canadian concerns. Requests use of air mail in forwarding catalogues, price lists, discounts, details of shipping weights, etc., covering the following: ball bearings and roller bearings; electrical articles, such as switches, reflectors, etc.; radios and component parts; electrical appliances, A.C. 250 volts; table fans, intercommunicating telephones, etc.; plastic articles; refrigerators, air cooling machines; rubber gloves for chemicals and electricity. Seeks to make immediate arrangements for purchase of: (1) Ten thousand two- and three-cell electric torches at once and 10,000 every two or three months thereafter (samples essential by air mail); (2) 1,000 electric fans A.C. 250 volts, 14-in. and 16-in. size; (3) 500 reams of cellulose Cellophane paper; (4) 500 pairs of chemical resisting rubber or synthetic rubber gloves for industrial use. Firm is interested also in exporting from India on a commission basis various articles, including cotton waste.

**GM111, ARGENTINA**—Indusrtial organization, through its technical director, wishes to purchase refrigeration machinery, using ammonia and methyl chloride, for industrial installations, and would welcome correspondence, with details and prices, from interested Canadian firms.

**D85, AUSTRALIA** — Commission representative seeks source of supply in Canada of cast aluminum cookers with hermetically sealed lid which cook in a quarter of normal time; interested also in hardware and electrical household and industrial equipment.

**CM112, ECUADOR** — Importer, purchasing for own account, acting also as commission agent, seeks contact with Canadian manufacturers exporting the following: agricultural products, including seeds and tools, thrashers, tractors; wire cloth; constructional iron; piping; plumbing material and sanitary furnishings; Portland cement; lubricating oils and greases; small electric pumps; machinery for making aerated waters, and for making ice, essences and concentrates for aerated waters.

**G52, INDIA**—Firm of importers and exporters with branches in Calcutta, Delhi, and Banglore, desiring to do business with Canada seek contact with manufacturers in a position to supply the following lines for the Indian market: woollen cloth, cotton cloth, rayons, chemicals, all kinds of electrical goods, toilets, hosiery, cutlery, glassware and enamelware; also want to export the following items from India; medical herbs, spices and gunny-cloth

**CM113, SOUTHERN RHODESIA** —Civil engineering contractors interested in the purchase of shears, and also shears for cutting rods for reinforcement, and machines for bending same, also multiple shearing machine; ask for catalogue, details, price list and possible delivery dates.

**CM114, COLOMBIA**—Catalogues, price lists and full details sought by importer on the following from Canadian manufacturers: tractors with Diesel oil motors and caterpillar tractors; agricultural implements; woodworking machinery.

## Deny Potatoes Will Glut Markets Soon

From Our Own Correspondent

**CHARLOTTETOWN**—Prince Edward Island potato dealers do not agree with a recent prediction by a Toronto food wholesaler that potatoes will soon be in good supply there at lower prices, because "Ontario, Prince Edward Island and New Brunswick farmers will have to dispose of them to prevent their rotting in the bins." The wholesaler stated that these provinces have plenty of potatoes but the farmers won't sell them under the ceiling price of $1.69 per bag, delivered in Toronto.

One dealer here told The Financial Post that while there was a greater acreage planted on P. E. I. this year, most of it was in seed potatoes and not table stock. While some of the Green Mountain seed may eventually be marketed as table stock, it should actually strengthen the price because of its exceptional quality. Moreover Island potatoes keep in condition to July, and up to that time there is no great amount of next year's early table stock in Toronto to affect the price.

## *Plan $200,000 Hat Factory*

From Our Own Correspondent

WOLFVILLE, N.S.—Textiles industry of Nova Scotia reports completion at Stewiacke of a new and improved plant for weaving wool into cloth for hats and coats, a branch of the Lewis Ltd. business at Truro. It also announces entry into the field of the Merrimac Hat Corporation, of Amesbury, Mass., in association with the Lewis company.

Merrimac (Canada) Ltd. takes over the hat body division of the Lewis company and will build a $200,000 plant for manufacturing fur and wool felt bodies, using for the latter the raw cloth material made at Stewiacke. The new plant will adjoin the present fur body plant of the Lewis company in Truro, and Charles E. Lewis will be president and managing director of the Canadian Merrimac company. An additional 250 or more workers will be employed.

**CANADIAN COTTONS LTD.** has allotted 985 of the no-par-value common shares to certain specified officers and employees at $20 a share.

# New Maritime Airlines Will Start Next Month

From Our Own Correspondent

CHARLOTTETOWN — Maritime Central Airways Ltd. of Charlottetown has been given the green light on its proposed new Maritime air routes (see The Financial Post, Nov. 11, 1945).

The Air Transport Board has approved all proposed routes except between Saint John, N.B. and Greenwood, N.S. While sympathetic to the need of such a service, the board argued that the Saint John airport was at present inadequate to ensure safe and economic operation of the type of service proposed. The company may apply again for such a service when these conditions have been corrected. Meanwhile Greenwood will be connected with Moncton, N.B.

Said to give 55% of the Maritimes complete air coverage, the routes are now: from Charlottetown to Summerside, Moncton and Fredericton (Blissville); Charlottetown to the Magdalen Islands; Moncton to Saint John; Moncton to Greenwood, Yarmouth and Halifax; Charlottetown to New Glasgow and Halifax; Moncton to Amherst, Truro and New Glasgow.

Capt. Carl Burke of Maritime Central informs The Financial Post that the new Charlottetown-New Glasgow-Halifax run should be in operation early in February, making one return trip each day. Travelling time between Charlottetown and Halifax will be about 1½ hours.

The new run from Moncton to Greenwood, Yarmouth and Halifax is expected to be in use before end of March, and the route from Moncton into Amherst, Truro and New Glasgow by April or May. The other routes are now in operation.

This company, a private enterprise started in 1941, has made Charlottetown the hub of Maritime air networks. The new routes will be commenced with 10-passenger Lockheeds, and later, if traffic warrants, 28-passenger Dakotas. Three of these former troop-carriers have been purchased recently from the U. S. Army. The company is negotiating for mail contracts on all the new lines, but as yet no decision has been reached.

# EMERGENCY REGULATIONS

**Yellow and White Corn**—WPTB Order No. A-1848, effective Jan. 2, 1946, amends Order No. A-1784, regulating maximum prices yellow and white corn. Co-ordinator Foods Admin., K. W. Taylor.

**Canned Poultry** — WPTB Order No. A-1850, effective Jan. 7, 1946, substitutes new maximum prices to wholesalers, for those previously set in Schedules "A" and "B" of Order No. A-1319. Admn. Meat and Meat Products F. S. Grisdale.

**Canned Lemon Juice** — WPTB Order No. A-1851, effective Jan. 9, fixes maximum prices on canned, imported lemon juice. Admin. of Imported Grocery items, A. S. May.

**Lima and Red Kidney Beans**—WPTB Order No. A-1852, effective Jan. 9, fixes maximum prices on imported lima and red kidney beans. Co-ordinator Foods Admin., K. W. Taylor.

**Men's & Boys' Clothing**—WPTB Order No. A-1853 effective Jan. 10, 1946, fixes maximum retail prices on men's, youths' and boys' outer garments, manufactured for a retailer on a cut, make and trim basis. Admin. of Distributive Trades, J. H. Thomson.

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Our Monthly Bulletin Current Investment Returns
with *suggestions on market trend*, sent on request.

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## Addresses Made at the Annual Meeting of Shareholders

# The Royal Bank of Canada

### Morris W. Wilson, President, sees no quick and easy solution to reconversion problems. Believes greatest half-century in Canada's history just ahead. As member of British Commonwealth and link between Britain and the United States, Dominion fortunately placed to help foster world co-operation and well-being. "Our historical capacity for tolerance wins for us respectful attention in the councils of the nations."

### QUESTIONS WHETHER CANADA MAKING MOST OF TRADE OPPORTUNITIES IN SOUTH AMERICA

### James Muir, General Manager, reviews record balance sheet. Assets, exceeding $2,000,000,000 at new high level for Canadian banking. Bank fully equipped and ready to assist reconversion. Foreign branches important factor in fostering international trade and cultural relations.

### BANK SEEKS WIDER FIELD OF SERVICE IN LOANS TO FIRMS AND INDIVIDUALS

**The** Seventy-seventh Annual **General** Meeting of the Shareholders was held at the Head Office in **Montreal** on Thursday, January 10th, at 11 a.m. Mr. Morris W. Wilson, in the chair.

Mr. Wilson, the President, in moving the adoption of the Director's Report, said:

## PRESIDENT'S ADDRESS

The Annual Report and relative statements which I have the pleasure to place before you today on behalf of the Directors, will, I am sure, be received by you with satisfaction.

Before dealing with them I should like to make a few personal references. I first wish to record the death in September of our colleague, R. V. LeSueur. Although Mr. LeSueur had served on our Board only a few months, we feel that we have lost a good friend, and we sincerely mourn his passing.

Last month the Directors created the position of Executive Vice President, and appointed thereto Mr. Sydney G. Dobson, who had served with distinction as General Manager since 1934. At the same time Mr. Burnham L. Mitchell relinquished his position as Assistant General Manager and was elected a Director and Vice-President with headquarters at Toronto. Mr. James Muir, an Assistant General Manager since 1935, succeeded Mr. Dobson as General Manager.

To revert to the Annual Statement, it is, as you will readily see, one of which we can well be proud. Once again your bank is enabled to create a record for Canadian Banking, in that total assets of an individual bank cross the $2 billion mark for the first time. The liquid position continues strikingly strong, and earnings, I am happy to say, reflect in moderate measure the continued growth of our working assets. The General Manager in his address will deal with the annual report and balance sheet in detail.

This is the first occasion since January, 1939, when we have been privileged to hold our Annual Meeting free from the anxieties of war. Those six war years were cruel years for our fighting men and for those who had to live under the bombing raids, and they were exhausting for those of us who could not fight, but did our best on home duty. Canada has had a splendid share in helping the United Nations defeat two unscrupulous enemies, and our country has now turned with thankfulness to the big and vital task of reconstructing peace. In this undertaking it will not do to use as building materials merely the wreckage of war; we must incorporate new ideas and new materials if our structure is to stand firm.

During the late war we created a navy, an army and an airforce; we built ships, tanks, and all the other apparatus of war; we helped to finance the war needs of Great Britain, and we extended mutual aid to those among the United Nations who needed it. Today, we are called upon to apply our planning skill, our executive ability, our determination, and our energy to the establishment of world peace, and the international exchange of goods which all peoples need if they are to raise their standard of living, and if Canada is to benefit from the foreign trade it so much needs.

**RECONSTRUCTION PROBLEMS**

In our own land, the first important task in our postwar reconstruction is the conversion of industry to production of the basic needs of a civilized community, with the minimum of dislocation, unemployment, and friction. For two or three years, since we passed the peak of our war effort, we have been giving thought to the reconstruction period. Now it is no longer a prospect, a time for building theories. Now, we are in it. The problem is no longer speculative, but is gradually being met in a practical manner, more, or less satisfactorily. If one or more sections of the masterpiece we desire to produce are not filled in at once, let us not worry too much, but look at the whole picture and its good prospects. Many of our people, not realizing the nature of the real problems in reconversion and reconstruction, want a quick answer to all questions, and an immediate completion of all plans. There cannot be such an easy way: changes in nature, people, and life are continuous, not abrupt.

Figures of Canada's accomplishments since 1900 show dramatically the advancement we have made in material well-being. And now, what should we do to make sure the progress of the past half century is continued and expanded in the next 50 years? Whatever is done will be criticized by those who wish to go faster or slower or just let things take care of themselves. I have no doubt that we have made mistakes and will continue to make mistakes in preparation for and conduct of our economic plans, but if we look ahead carefully, make our plans as prudent individuals, corporations and as a nation, and carry them out energetically, I am very sure the greatest half century in Canada's history lies just ahead.

Some people wish to do everything at once—to cry "Sesame" and have a wonderful cave magically open, filled with money and houses and automobiles for everyone. But things have never been done that way outside of fairy-tales. We must open the door ourselves. We have just looked back to the beginning of the 1900's, and we have seen how the initiative and skill of our people brought them more and more of the material comforts of life. These people did not ruin their chances of progress by jumping at everything fantastically new, nor were they among the last in the world to lay aside old things. They staked their future on making little advances, incorporating these advances into their lives, and then going on to new fields, new techniques, and wider ideas of what life could be. It never was the ambition of Canadian people to resign themselves to being satisfied with what they had at the moment. In old Rome it was a mark of confidence when citizens of the besieged city exchanged for a good price the very land on which the enemy was camped, and it is equally heartening when Canadian citizens of to-day look not so much at the present, but build for the future, everyone investing his quota of intelligent work.

### WE ARE READY TO MOVE FORWARD

**Record of past inspires confidence**

Solid ground for optimism was to be found, said Mr. Wilson, in Canada's tremendous record of accomplishment since the turn of the century. "Have our people confidence in themselves?" asked Mr. Wilson. "If they would pause and reflect upon the historic advance of their country, they would find few reasons for depression and many reasons to justify hope of success. It is not necessary to go back to the very beginning, but just to the first part of this century. The story revealed in these 45 years is one of the progress of men and women who pressed forward to and crossed new frontiers every year, but always realized that the horizon still beckoned them. The record of what was accomplished is marvellous, the advancement of every year being built upon that of preceding years. Some interruption occurred, due to two wars and the depression, for none of which Canadians were directly responsible, but now we are ready again to move forward. A comparison between our material circumstances in 1900 and in 1945 is well worth looking at, because it shows the march forward of Canadians in production of goods which they and the people of the world need, and the continually expanding use in the homes of Canada of better food, aids to work, and means of entertainment, all of which would have seemed the height of luxury to the most imaginative writer of a century ago.

"We have heard all this in generalities many times, but generalities seldom carry conviction. On the other hand, statistics are cold things, and not entertaining, yet I believe this is the time to introduce a few facts of real significance. I do not intend to give many figures, but just a sampling to show what we have to our credit since this country opened. These figures represent the enterprise, imagination and effort of Canadian people.

"Many of us are inclined to take agriculture and mining and forestry too much for granted, probably because they are so far removed from our centres of population, yet they are the backbone of our economic well-being. Our exports of mineral origin in 1943 totalled more than the value of exports originating from any other primary industry, and there is no indication of exhaustion of our resources. Here are some figures on agriculture and mining, which should be considered alongside the fact that our population has increased just 123 per cent. in the 45 years under review. The number of acres occupied for farm purposes increased 176 per cent.; the value of farm property, in dollars of the same purchasing power, jumped to 251 per cent. of what it was in 1900; the value of agricultural products exported rose 300 per cent., and the number of bushels of wheat we produced grew by 685 per cent. The increase in our production of minerals was: copper, 2,079 per cent.; gold, 114; lead, 377; nickel, 3,781; silver, 204; asbestos, 1,115. Our output of wood pulp increased 1,892 per cent. Our railways expanded their track mileage 133 per cent., the number of passengers 214 per cent., and tons of freight 302 per cent. The tonnage of sea-borne shipping cleared at Canadian ports rose by 288 per cent. Telephone instruments in use increased by 2,585 per cent. Electric incandescent lamps, so numerous to-day as to be impracticable to count, numbered only 815,000 in 1900. Radios, automobiles and airplanes were not even predicted in the 1900 statistical books. The registrations of radios are not by any means a complete record of instruments in use, but total 1¾ million. Automobiles number 1½ million."

**NO FEAR OF FUTURE**

When we review the past 45 years, and reflect on these things which have been accomplished, surely we find it evident that Canada and its people, with a record like that, do not need to be fearful of the future just because they cannot pull out of a pigeon-hole the complete answer to every question posed. Our idea in looking back over statistics is just to gather fresh strength and inspiration for the next forward move. Great things have happened in the world, it is true, and changes have occurred in many of our ideas, but the fundamentals which guided our forefathers never change. We must be prepared, while following the basic principles of enterprise and effort, to adjust our thinking to new ways of applying them.

We cannot rest on our achievements; we cannot delude ourselves that because we have had a bright past and deserve a brighter future, these facts will bring an automatic solution of our problems. We need to look frankly at our weaknesses as well as at our strength. Our natural resources and our highly developed industry produce more goods than we can consume. That could be a weakness, but it can be cured by organizing an efficient and effectual method of selling goods to other nations. We need imaginative leadership to ensure that the necessary effort is forthcoming, and is properly directed.

Next to the weakness of the few who would have us be satisfied to drift, we must take note of the danger to our economy of proposals to make ourselves a self-sufficient nation, producing only for our own use. Suppose we cut down our production of food and manufactured articles to the quantity it would be physically possible for our population to consume, it would obviously reduce employment, diminish income, and lower our standard of living. We should not be able to buy as much as we do when a large part of our income is derived from exports, so that there would be a further lowering of production. Consider a few examples. A long-time average yearly production of wheat is given as 310 million bushels, of which 150 million bushels were consumed in Canada. This left 160 million bushels to be disposed of, and at the long-time average price the value of the surplus was $140 million. That would be a devastating loss to wheat growers in the unbelievable event of the subsistence economy advocates gaining control. Surpluses of nearly a half billion dollars in the iron and steel products group and a like amount in wood and paper products would be the cause of widespread unemployment and lowering of living standards, if they could not be sold abroad, and the situation would be similar in other businesses. It was not by cutting off markets that our manufacturers increased their pay rolls by more than 900,000 persons, their payments of salaries and wages by 1651 per cent, and the gross value of their products by 1712 per cent. in the past 45 years. Under today's conditions the manufacturers, as well as government agencies, are called upon to exert themselves even more strenuously in developing foreign markets.

**TRADE OPPORTUNITIES**

While all countries in the world require goods Canada produces, it seems well to look particularly at a continent where many well-versed persons think Canada is not making the most of her opportunity—South America. The total value of imports to the South American Republic in 1940 was one billion, 11½ million dollars. This indicates the extent of the market in general, and it is particularly interesting to take note of the fact that so many commodities required by these countries are products of Canada, including iron and steel, chemicals, paper, wood and manufactures of wood, vehicles, paints, wheat and other foodstuffs, mining machinery, industrial machinery, electrical apparatus, and many minerals.

For a detailed example of Canada's opportunities in these markets, consider Brazil. Brazil ranks first in South America as an industrial nation, and it has the necessary natural resources to maintain a wide range of industries. Recent expansion in industrialization has increased employment and wage scales, raised the standard of living and purchasing power, and enlarged the value of the Republic as a market for foreign goods. Out of total Canadian exports to 10 South American Republics amounting to $20 million in 1944, we sent Brazil goods valued at $7¼ millions. There is still a wide field which Canada may cultivate. In 1937-39 89 per cent. of Brazil's imports of newsprint were obtained from European countries, but in 1944 Brazil took 77 per cent of its paper imports from Canada, indicating how we may take advantage of opening opportunities. In the pre-war years 70 per cent of Brazil's $70 millions worth of imports of machinery and hardware were obtained from the United States, Germany and the United Kingdom. Germany, the United Kingdom and the United States supplied 73 per cent. of Brazil's imports of chemicals and allied products. In drug imports, Brazil ranked fourth in the world, and it is believed that a right approach would give Canada a share of the $42 millions retail sales of drugs. Brazil, to which I refer as being typical of the South American market, could be highly important to Canada as a customer for manufactured products, industrial equipment, newsprint, and certain foodstuffs. Her imports in 1944 amounted to $477 millions.

It was announced recently that Canada's exports to Latin America in the first nine months of last year amounted to $39 millions, compared with $20 millions in all of 1939, and our imports from South America were $67 millions compared with only $16 millions. Even allowing for some inflation of imports and exports due to the war conditions, it seems evident that there is great opportunity for an increase in reciprocal trade over the pre-war figures.

**PROSPERITY NOT LOCAL**

If we admit that prosperity in Canada is not just local, then the next step is to consider how we can help ourselves by measures designed to raise the purchasing power of other countries so that they can buy our goods. Two years ago I said at our annual meeting:

"I personally believe that large outright gifts of food, raw material, finished goods and machinery, to backward and devastated countries will in the long run, and even from the most selfish point of view, not only contribute most to human welfare, but both in the short and long run be in the best interests of those nations which can afford to make the gifts. If this is too much to expect of human beings in their present stage of development, the alternative must be loans on a very large scale on long and easy terms or probably a combination of both loans and gifts. I think such loans would have to be to governments, because the management of an international fund presumably under the control of the great powers could hardly expect to decide on the merits of individual applicants, and, even if they did, would doubtless in due course be accused of attempting to influence internal business policies or trends."

### 798 VETS BACK ON JOB

**Proud war record of staff outlined**

Referring to the bank's staff which now numbers over 10,000, inclusive of those still in the armed forces, the General Manager said: "Total enlistments during the war were 2,321, of which 2,171 were from Canada. Many obtained high rank, and a generous share of honours and decorations for valour were won. It is my sad duty to place on record that 193 of these splendid young men gave their lives in the great struggle, and I know you will wish me to extend to their families and friends on your behalf and on behalf of their colleagues expressions of our deepest sympathy.

"Seven hundred and ninety-eight of the men formerly in the Armed Services have already returned to the bank, and they are being afforded every opportunity to re-acclimatize themselves quickly. Upon reporting to us, each is interviewed by a senior officer familiar with his previous record and service, and everything is done to make him feel at home. Our set policy is to treat these returning men with fairness and understanding, and to see to it that in no case are they worse off materially than if they had never been away. Their response and attitude are most gratifying, and only make us all the more proud of them. Their years of service in the forces are allowed to count as years of service in the bank for pension purposes, and if their service-pay was less than their salary at time of enlistment, they were not required to contribute to the Pension Fund. The bank's Group Insurance plan—plus war risks in their case—was maintained for them, the entire premium being paid by the bank. In addition to these security measures carried on for the staff, hospital and surgical benefits insurance is maintained—a substantial portion of the cost being borne by the bank. Recently a retiring plan was inaugurated whereby women employees and men not members of the Pension Fund are assured of an annual income when the time comes for them to give up their duties. Generally speaking, women employees will retire at 55 years of age. The plan is non-contributory on the part of these employees.

"I know the rest of the staff who have done such a splendid job in maintaining service to the public and have upheld the interests of the bank under most trying conditions will not begrudge these special references to the men in uniform. One of the chief reasons why the bank enjoys its prominent position is because so many of the staff have poured so much of themselves into it."

The International Monetary Fund and the International Bank of Reconstruction set up under the Bretton Woods agreement are evidence of a good spirit. These will mean a long-term contribution to the well-being of the world, similar in effect to the relatively short-term credits made available by Canada so that other countries may buy our goods.

I believe we have done well so far in making these arrangements and, though the plans we evolve may need extension and revision, nevertheless the important thing is that they present an outward and visible sign that nations are conscious of the world outside themselves, and are seeking to make possible a working together rather than a confusion in which every nation would be struggling for itself alone.

Our sensible and co-operative approach to the establishment of international trading is evidenced by the way in which Canada has been careful to avoid demanding trade concessions from the countries to which loans have been extended under the export credit measure. These loans, negotiated or under negotiation with France, Norway, the Netherlands, the Netherlands East Indies, Belgium, Russia and China, are intended to assist in economic reconstruction. By doing so, they will hasten the time when large-scale trade can be expected between these countries and Canada.

When we come to treat for exports, it is important that foreign countries should realize the extent of our purchases from them, and spread of this knowledge will be one of the objectives of the newly-organized Import Division of our Department of Trade and Commerce. In the past, many of our imports have come through "middlemen," and not even we, generally, recognized the country of origin, nor did that country realize that Canada was the buyer. Direct importation will gain us recognition among our customers, will be of assistance in supporting our mercantile marine and will be of help to our ports and land transportation services.

**TOURIST TRADE**

One of the best ways of becoming better known internationally is through the tourist industry. It is interesting to know that from 1926 to 1940 ten per cent. of our total international receipts came from tourists. The Deputy Minister of Trade and Commerce has remarked that it appears the tourist business can become our greatest single source of much-needed foreign exchange. There are other benefits in making Canada attractive to tourists; the trade provides jobs; visitors scatter over our country in such a way as to carry trade to practically every hamlet; international goodwill is fostered by the happy way in which tourists and our own people meet and mix and do business. We have not done more than scratch the surface of the tourist industry. We can look for, if we work for, milions more visitors every year. But, as in commodity trade, we cannot just depend upon government advertisements and organizations. Every Canadian can do a share, by inviting friends, and by making the visitors' stay cheerful and interesting, while those concerned directly in the business can see that accommodations are superior, recreation provided, and service of a high type made available at every resort and tourist stopping-place.

It is clearly evident that predominance of primary production, or of subsistence economy as an ideal, is almost invariably associated with low real incomes, and therefore low living standards. We need to export manufactured goods as well as unprocessed natural products. Those of us who look forward to Canada's continued progress will hope that the nations may follow the path of sanity, working out together a basis for the orderly expansion of international trade in which we may participate. All our industry will be very closely affected by government policy on exports, and the more fully and enthusiastically concrete suggestions are offered by business associations and firms the better will the government be able to move judiciously. Wartime experience should be effective in simplifying foreign trade. Mutual aid and lend lease abolished for the time being the tangled knots of currency, tariffs and loans which were strangling international trade in the pre-war years, and made possible a true sharing of economic resources along the lines set forth in the Atlantic Charter.

**CANADA CANNOT STAND ALONE**

If we add to these lessons the world-wide desire for peaceful development, and the technical advances which have brought about a high degree of integration and interdependence in human affairs, we are presented with a situation in which we can see a world family working for the good of all. Canada is so situated as to be of great help, but the more anyone studies Canada's position the more he realizes that we of all nations can least afford to paddle our own canoe. Our geographical position makes us the link connecting the two great industrialized countries, Great Britain and the United States; our membership in the commonwealth of free peoples gives us a world position much higher than would be warranted if we stood alone; our great industrial technical skill helps us meet the requirements of any market; our rich store of natural resources assures supplies of raw materials indefinitely; and our historical capacity for tolerance wins for us respectful attention in the councils of nations.

Yet, some people persist in saying: "Times are going to be hard." This is no occasion for thoughts of failure. Success in either pioneering or in reorganizing after a great struggle demands psychological quality. We have the things needed—raw materials, skill, organizing ability, and scientific knowledge. We need propulsive force. This is not a matter of speeches and paper ideas. People have the quality in themselves. It is by their own will and effort that advancement is made.

I refuse to believe that after so long-continued slow but sure progress mankind will allow itself to be annihilated by atomic bombs, or to be enfeebled by long drawn out decay, or paralyzed by disputes which ruin international trade and co-operation. This country should have no doubt of itself or of the contribution it can make to the world. With broadening education, swift advances through research, intelligent application of scientific discoveries to production, and extending world contacts, all we need is faith in Canada and confidence in our own enterprise and energy to make the second half of this century greater and more abundant than the first, which was, in a material sense, as I have shown, great indeed.

## HIGHLIGHTS

**Mr. Wilson said:**

**I have no doubt that we have made mistakes and will continue to make mistakes in preparation for and conduct of our economic plans, but if we look ahead carefully, make our plans as prudent individuals, corporations and as a nation, and carry them out energetically, I am very sure the greatest half century in Canada's history lies just ahead.**

★

**Many commodities required by the South American countries the products of Canada, including iron and steel, chemicals, paper, wood and manufactures of wood, vehicles, paints, wheat and other foodstuffs, mining machinery, industrial machinery, electrical apparatus, and many minerals. Brazil, typical of the South American market, could be highly important to Canada as a customer for manufactured products, industrial equipment, newsprint, and certain foodstuffs. It seems evident that there is great opportunity for an increase in reciprocal trade over the pre-war figure.**

★

**The International Monetary Fund and the International Bank of Reconstruction set up under the Bretton Woods agreement are evidence of a good spirit. These will mean a long-term contribution to the well-being of the world, similar in effect to the relatively short-term credits made available by Canada so that other countries may buy our goods.**

**I believe we have done well so far in making these arrangements. They present an outward and visible sign that nations are conscious of the world outside themselves.**

★

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**Mr. Muir said:**

**Size is not the gauge of the bank's ambitions—but rather that, always mindful of its responsibilities to its depositors, it should fill the role of providing all classes of the public with a high order of prompt, efficient and helpful service. The aim of the bank is to render banking service and assistance not to any narrow section, either in a business or a geographical sense, but to all classes of clients in the different communities served by our branches. We try to render this service and assistance in a spirit of friendly co-operation, and our doors are open to all who need a banking service.**

★

**Your bank is fully equipped to provide the credits necessary to assist our clients in the reconversion and reconstruction period, and we may say that development of the loaning side of the bank's business continues to engage special attention on the part of Executive Officers and Managers.**

★

**An increasing number of loans are being made for Capital Expenditure purposes and on more extended terms than used to be customary. Naturally, we endeavour to appraise these risks with care. This policy is not only of benefit to customers in assisting with the expansion and improvement of their operations, but, in addition, is an important factor in the over-all picture of employment and rehabilitation. Many loans of this character have been made at branches across Canada.**

★

**During the year the needs of the personal or casual borrower have been met to the extent that in round figures, 127,000 individual loans of $500 and under have been made. Up to the end of last October, all Chartered Banks had made a total of 3,669 loans under the Farm Improvement Loans Act for the aggregate sum of $2,911,224. It is therefore satisfactory to learn that our share of this total was the largest, namely, 1,245 in number and $998,570 in amount. We might say that the immediately foregoing figures were largely exceeded, both as to number and amount, in the loans we made during the same period for exactly similar purposes in the ordinary course of business outside the provisions of the Act.**

## GENERAL MANAGER'S ADDRESS

James Muir, General Manager, referred to the Financial Statement as follows:

My remarks will be confined to a discussion of the 76th Annual Report and Balance Sheet of the bank which has been presented to you today and it seldom happens that a new General Manager, in his second month of office, has the opportunity to discuss such a pleasing and stimulating document.

The Assets amount to $2,077,546,978, which is an increase of $217,295,176 over last year, and is the highest total in the history of the bank. It is a matter of pride that the bank has attracted business of such large proportions. At the same time, it will be realized that banking figures are influenced by the heavy war financing that had to be carried out by the Government over the past six years. In any case, size is not the gauge of the bank's ambitions — but rather that, always mindful of its responsibilities to its depositors, it should fill the role of providing all classes of the public with a high order of prompt, efficient and helpful service.

Liquid Assets amounting in all to $1,558,477,086 comprise no less than 82.14% of the Total Liabilities to the Public and are made up of Cash and Balances due us from Banks $321,149,296; Dominion and Provincial Securities $882,039,866 and a further $355,287,923 in other securities, Cheques on Banks and Call Loans.

**LOANS HELP RECONVERSION**

Commercial and Call Loans in Canada are up $76,079,151 and the over-all total of these items on the books is $362,989,425. The Commercial Loan total is greater by $22,702,280, and while this increase is relatively moderate, it indicates that our economy is facing away from wartime influence, and that our clients are directing their business toward a more normal condition of affairs. Your bank is fully equipped to provide the credits necessary to assist them in the reconversion and reconstruction period, and we may say that development of the loaning side of the bank's business continues to engage special attention on the part of Executive Officers and Managers. An increasing number of loans are being made for Capital Expenditure purposes and on more extended terms than used to be customary. Naturally, we endeavor to appraise these risks with care. This policy is not only of benefit to customers in assisting with the expansion and improvement of their operations, but, in addition, is an important factor in the over-all picture of employment and rehabilitation. Many loans of this character have been made at branches across Canada. Other lending activities might be mentioned: For example, during the year the needs of the personal or casual borrower have been met to the extent that in round figures, 127,000 individual loans of $500 and under have been made. In March of last year the Farm Improvement Loans Act — good for three years—came into force. In the language of the Government this is:—"An Act to encourage the provision of Intermediate-Term and Short-Term Credit to Farmers for the Improvement and Development of Farms and for the Improvement of Living Conditions thereon." Subject to certain regulations and limitations, the Government agrees to guarantee the banks against loss up to 10% of the aggregate principal amount loaned under the Act. Figures released by the Government disclose that up to the end of last October, all Chartered Banks had made a total of 3,669 loans under the Act for the aggregate sum of $2,911,224. Believing this to be important legislation, your bank gave the Government unqualified assurance that our branch Managers would co-operate fully in making the Farm Improvement Loans Act a working success. It is therefore satisfactory to learn that our share of this total was the largest—namely, 1,245 in number and $998,570 in amount. We might say that the immediately foregoing figures were largely exceeded, both as to number and amount, in the loans we made during the same period for exactly similar purposes in the ordinary course of business outside the provisions of the Act.

**RECORD DEPOSITS**

Turning to the other side of the Balance Sheet, Total Deposits are shown as $1,888,757,074, an increase of $211,872,377, of which $174,462,849 took place in Canada and $37,409,528 at branches abroad. These Deposit Totals constitute a high-water mark.

The number of accounts in operation has again expanded and has now reached the imposing total of over 1,550,000.

During the course of the war, the bank's organization in Canada was thrown solidly and vigorously behind the Government's efforts to make the two War Loans and the nine Victory Loans fully successful. You will be interested to know that from many and varied sources, which helped bear the burden and detail of carrying out these Loan Campaigns, the most laudatory commendation of the assistance and co-operation by the staff of this bank has been received. If you could have the opportunity to read these commendations you would feel most gratified at the staff's performance.

The details I have given you illustrate the policy and aim of the bank to render banking service and assistance not to any narrow section, either in a business or a geographical sense, but to all classes of clients in the different communities served by our branches. We try to render this service and assistance in a spirit of friendly co-operation, and our doors are open to all who need a banking service.

Profits for the year increased $943,744. After deducting $2,175,000 to provide for Dominion Government taxes, the net was $3,828,142. After payment of dividends $2,100,000, and providing $729,295 for Bank Premises, there was left $998,847 to be carried forward.

At the last Annual Meeting Mr. Dobson forecast that after the war we would be faced with the necessity of extending our building programme considerably. That forecast is proved to have been accurate, and the need is pressing. During recent years when it was not possible to undertake major improvements because of building restrictions, our business has outgrown the premises at many points. This lack of adequate space has brought inconvenience to our clients and staff alike, and we extend our sincere thanks to them for their forbearance and co-operation. Building restrictions were removed a few weeks ago, and we intend to proceed, as rapidly as the supply of labor and materials will permit, with a building and renovation programme, with the emphasis upon providing reasonable space where congestion is most acute. For the greater part this will be accomplished by extensions to existing buildings.

Bank Premises Account was written down by $729,295 as against $400,000 last year. This item now includes properties acquired from Canadian Realty Corporation Limited. This company became a wholly owned subsidiary of the Bank upon the merger of the Union Bank of Canada in 1925. In view of the Bank's acquisition of its assets, this company will no longer be referred to in our accounts.

Following established custom, the printed report of these proceedings will include extensive comment on conditions in the different sections of Canada, as well as in the other countries where we operate.

**FOREIGN TRADE FOSTERED**

Our business abroad has been active during the year and the results have been gratifying. It is nearly half a century since we opened our first foreign branch. At present we have a chain of 61 offices abroad—well located, manned by thoroughly experienced personnel who speak the language of the people and who know the customs and conditions of the countries firsthand. These branches naturally take their part in the national economy of the respective countries and at the same time through the name of The Royal Bank of Canada are doing a good deal toward keeping Canada prominently before the people. We are the only Canadian bank covering such a large field, and during the years we have in this way directly contributed to Canada's steadily increasing international trade and cultural relations. The President in his address has dealt with the importance of foreign trade. The policy of having foreign branches has been well justified in all ways. With our large chain of branches throughout Canada, and operating as we do under our own banner abroad, we are in an unrivalled position to facilitate the trade operations of the Canadian exporter and importer, particularly in Latin America and throughout the Caribbean area.

In addition to our chain of foreign branches, we maintain correspondent relations with important banks throughout the world and are thus able to take care of any international banking business of our clients. We would draw to the attention of the Canadian exporter that for his service we operate at Head Office a Central Credit Information Department upon a world-wide basis. Since its South American—Cuban and West Indian section is built upon and backed by our direct contacts with our own branch Managers in these areas, the exporter is in a position to obtain firsthand information—a service not available otherwise.

It is my privilege to report that your bank, strongly endowed in the financial sense and rich in human resources, is geared to discharge its full measure of responsibility for providing adequate service to all sections of the public through the rehabilitation and reconstruction period which lies ahead.

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## COMPANY REPORTS

**BRANDRAM - HENDERSON** experienced the most successful year's operations since 1929 but retained profit only amounted to $7,505, as compared with $5,254 for the previous year. In the president's address it was pointed out that this figure represented only 4.6% of whole net profit figure, so high were other charges, particularly taxes. The possibility of a dividend payment is still remote, the president stated, under these conditions. Balance sheet shows $45,853 arising from purchase and redemption of a block of the company's bonds, and $14,635 profit on real estate.

**CONSOL. INCOME ACCOUNT**

| | Yr. end. Sept. 30 1945 | 9 Mos. Sept. 30 1944 |
|---|---|---|
| Net earnings | $259,405 | $162,433 |
| Less: Deprec. | 50,000 | 37,500 |
| Inc. tax res.▲ | 158,024 | 82,553 |
| Net income | 51,381 | 42,379 |
| Less: Inc. bond int. | 43,875 | 37,125 |
| Net profit‡ | 7,506 | 5,254 |
| ▲Incl. ref. EPT | 25,054 | 11,662 |

‡Note: Co's. report includes refund. EPT in net profit and surplus for year.

**Note:** Interest on income bonds is payable out of net earnings, as specified in trust deed, for 12-mos. period ending Dec. 31 each year. Company reports net cumulated income at Dec. 31, 1944, of $72,624, after deducting interest on income bonds paid June 1, 1945, was available to meet future interest payments.

**CONDENSED CONS. BALANCE SHEET**

| As at Sept. 30: | 1945 | 1944 |
|---|---|---|
| Cash | $101,275 | $67,917 |
| Accts. rec. | 291,224 | 256,058 |
| Inventories | 367,115 | 367,953 |
| **Total curr. assets** | 759,614 | 691,930 |
| Misc. assets▲ | 98,219 | 81,221 |
| Investments | 35,379 | 98,800 |
| Fixed assets* | 761,210 | 822,490 |
| **Total assets** | 1,654,422 | 1,694,441 |
| Bank loan | | 50,000 |
| Accts. & tax. pay. | 414,678 | 371,820 |
| **Total curr. liab.** | 414,678 | 421,820 |
| Funded debt | 700,000 | 825,000 |
| Other liabs. | 8,715 | 9,640 |
| Capital stock | 315,214 | 315,214 |
| Surplus▲ | 215,815 | 122,767 |
| *After depr. of | 556,263 | 520,097 |
| ▲Incl. refund. EPT | 57,302 | 32,248 |
| **Working capital** | 344,936 | 272,110 |

**CANADA VINEGARS'** sales for the year ended Nov. 30 were up somewhat over the previous year, and net profit, $83,249, was up $1,366. Plans are nearing completion to install new plant equipment to meet the large increase in sales of vinegar in glass containers. Due to failure of the apple crop in 1945, it was impossible to pack Allen's Apple Juice, but it is expected that this situation will be remedied with the 1946 apple crop. Reserve for depreciation on buildings, plant and equipment stands at $951,850, which is now 50% of the asset value.

**CONS. INCOME ACCOUNT**

| Years Ended Nov. 30: | 1945 | 1944 |
|---|---|---|
| Net earnings | $213,654 | $212,133 |
| Less: Deprec. | 68,142 | 70,973 |
| Income taxes | 62,263 | 59,276 |
| **Net profit** | 83,249 | 81,883 |
| Less: Dividends | 69,000 | 55,200 |
| Spec. prop. res. | *11,178 | 14,912 |
| **Surplus for year** | 3,071 | 11,771 |

*Loss on property sold, after applying special reserve.

| Earnings per Share and Dividend Record: | | |
|---|---|---|
| Common: Earned | $0.90 | $0.89 |
| Paid | 0.60+0.15 | 0.60 |

**CONDENSED CONS. BALANCE SHEET**

| As at Nov. 30: | 1945 | 1944 |
|---|---|---|
| Cash & Dom. bds. | $324,471 | $185,487 |
| Accts. rec. | 101,926 | 126,394 |
| Inventories | 259,097 | 393,987 |
| **Total curr. assets** | 685,494 | 705,788 |
| Mortgage rec. | 7,500 | ...... |
| Fixed assets▲ | 950,100 | 1,031,576 |
| Goodwill | 24,001 | 24,001 |
| **Total assets** | 1,667,095 | 1,761,363 |
| **Total curr. liab.** | 164,727 | 219,068 |
| Spec. prop. res. | ...... | 43,000 |
| Capital stock | 1,322,503 | 1,322,503 |
| Surplus | 179,865 | 176,794 |
| ▲After depr. of | 951,850 | 821,804 |
| **Working capital** | 520,767 | 486,720 |

**WEST MALARTIC MINES** reports intersecting ore conditions in exploratory drilling along the break some 1,500 ft. west of the old shaft. Hole No. 50 was drilled north to explore the vein structure found some years ago. This hole cut a true width of 8 ft. 2 in. averaging $7.60 per ton. Deeper in the hole, a further 30 ft. of core averaged $10. In the first section there was included four feet averaging $15 between 335 and 339 ft. Mill is currently handling 125 tons daily.

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Here is the finest skiing for both beginner and expert. Abundant open slopes, new Alpine ski lift . . . famous Snow Eagle Ski School, directed by Luggi Foeger . . . In the heart of the deep snow Laurentians . . . skating, sun bathing . . . Siberian husky dog teams . . . comfortable hotel and heated cabins, rooms with bath or running water . . . all in the famous 'Gray Rocks' way.

Write
F. H. (Tom) Wheeler, Mg. Dir.

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1817-1946

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General Manager: THOMAS BAKER HEFFER

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BACK TO CANADA'S WAY OF LIFE

PRIVATE JONES BECOMES PRIVATE ENTERPRISE

Opportunity is knocking for thousands of returned Canadian servicemen and women. With their re-establishment credits, many are starting small businesses, buying farms or completing their education.

Energy, initiative and new ideas will play a great part in the success of these new enterprises, but caution too, is needed.

Imperial Bank of Canada welcomes these new Canadian businessmen and offers them its services. Discuss your problems with us.

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IMPERIAL BANK OF CANADA

*"The Bank for You"*

# Banking Heads Talk Postwar Finance Issues

### Warn Against Inflation, Urge Need of Peacetime Readjustment

*At annual meetings of chartered banks held recently, bank executives discussed domestic and international matters of importance to the Canadian economy, including trade and production and dangers of inflation. Extracts from their remarks follow.*

**BEAUDRY LEMAN, president National Canadian Bank.**

One need not be an admirer or follower of Russian ideologies to acknowledge that in certain matters Russians showed courage and logic. When, in Russia, the State decrees that a person, in compensation for the accomplishment of the task assigned to him, is entitled to a pair of shoes, to two shirts and to some other article of clothing annually, one faces a clear and unmistakable situation. Is not this situation preferable to the issue of millions and billions of paper currency, which is nothing more than scraps of paper which do not enable the holder to buy the bare necessities of life? Monetary inflation is a dupery and a piece of dishonesty to which political leaders, conscious of their duty, should not lend themselves. We should congratulate ourselves in Canada at having escaped these experiments in monetary jugglery, the results of which are futile and the consequences frequently tragic. Let us however be cautious and insist, as article one of any measure of social betterment, that we retain a sound currency, readily exchangeable against real wealth.

Should the agreement of Bretton Woods and the organization of a stabilization fund bring about the purging and cleansing of a number of currencies and establish a stable relationship between them, a great step forward will have been taken to restore trading between nations. There will remain another lesson to learn to the effect that order is impossible without discipline; this discipline may be voluntary or may have to be enforced. Has not the time arrived when monetary manipulations must cease and when realities must be faced, even if they appear painful?

* * *

**MORRIS W. WILSON, president Royal Bank of Canada.**

While all countries in the world require goods Canada produces, it seems well to look particularly at a continent where many well-versed persons think Canada is not making the most of her opportunity—South America. The total value of imports to the South American Republics in 1940 was $1 billion, 11½ million.

For a detailed example of Canada's opportunities in these markets, consider Brazil. Brazil ranks first in South America as an industrial nation, and it has the necessary natural resources to maintain a wide range of industries. Recent expansion in industrialization has increased employment and wage scales, raised the standard of living and purchasing power and enlarged the value of the Republic as a market for foreign goods.

Out of total Canadian exports to 10 South American Republics amounting to $20 million in 1944, we sent Brazil goods valued at $7.2 million. There is still a wide field which Canada may cultivate. In 1937-39 89% of Brazil's imports of newsprint were obtained from European countries, but in 1944 Brazil took 77 per cent of its paper imports from Canada, indicating how we may take advantage of opening opportunities. In the pre-war years 70% of Brazil's $70 millions worth of imports of machinery and hardware were obtained from the United States, Germany and the United Kingdom. Germany, the United Kingdom and the United States supplied 73% of Brazil's imports of chemicals and allied products. In drug imports, Brazil ranked fourth in the world, and it is believed that a right approach would give Canada a share of the $42 million retail sales of drugs. Brazil, to which I refer as being typical of the South American market, could be highly important to Canada as a customer for manufactured products, industrial equipment, newsprint, and certain foodstuffs. Her imports in 1944 amounted to $477 million.

* * *

**F. H. MARSH, president, Bank of Toronto.**

Our energies should be directed toward achieving a maximum of production accompanied by creation of new national wealth and new employment. We all watched with pride Canada's material contribution to the war and the high records of production achieved by her industries in the course of the wartime program, the value of which exceeded $10 billions. . . . . .

What has to be done now is to keep the greatest possible amount of this productive energy at work as government controls continue to relax and the supplying of consumers' requirements proceeds.

One of the most important tasks of the immediate postwar period is the direction of buying power into the channels which will be most creative of employment and of greatest value to our national future. Due to actual physical shortages and to well-founded anti-inflationary regulations and propaganda, Canadians for six years have to an increasing degree been denied their requirements and the consumer goods to which they were accustomed in normal times; hence there are shortages of houses, the equipment thereof, textiles and motor cars, in fact, everything that helps to make up the amenities of peacetime living.

People who have saved in order to obtain after the war the things they want, cannot be expected to do other than buy them when they are available. This situation (and it is not confined to Canada) means more buying power than there are goods available. It is therefore little short of tragic if in this situation, reconversion,. employment. and. progress is to be impeded by strikes and work stoppages, which inevitably mean loss to all concerned and which might be avoided by the exercise of goodwill, co-operation and earnest consideration of the rights of others.

## Staff Changes

**The Dominion Bank** announces the following staff changes:

R. T. E. HICKS-LYNE, to be manager, Yonge & Eglinton, Toronto.

T. B. CONNOCHIE, to be manager, Queen & Broadview, Toronto.

H. E. TRAVISS, to be assistant manager, London, England.

R. A. DYKES, to be assistant manager, Vancouver, B.C.

J. M. MACPHERSON, to be manager, stationery department at head office.

G. E. SMITH, formerly accountant, Saskatoon, Sask., to be accountant, Vancouver, B.C.

T. H. ROBERTSON, formerly accountant, Brandon, Man., to be accountant, Saskatoon, Sask.

J. K. SHUTTLEWORTH, formerly manager stationery department at head office retires.

W. G. GRAHAM, to be accountant, Brandon, Man.

F. T. GOLDSMITH, formerly accountant, Victoria, B.C., to be accountant, Pender & Howe Sts., Vancouver.

W. B. CODD, to be accountant, Victoria, B.C.

C. R. GRIGG, to be accountant, Huntsville, Ont.

J. P. COOKE, to be accountant, Gravenhurst, Ont.

W. G. JARVIS, to be accountant, Queen & Broadview, Toronto.

M. W. MOONEY, to be accountant, West End, Kitchener, Ont.

T. H. PURSSORD, to be accountant, Dupont & Christie, Toronto.

**The Canadian Bank of Commerce** announces the following staff changes:

A. K. POUSSETTE, recently captain in Canadian army, formerly assistant accountant, Montreal, to be assistant accountant, Montreal.

* * *

**The Royal Bank of Canada** announces the following staff changes:

W. H. DAVISON, manager, Bathurst, N.B., to be manager, Sydney, N.S.

C. F. NICKERSON, to be manager, North Gower, Ont.

W. H. SMITH, assistant manager, Stanley St., Montreal, to be manager, Bathurst, N.B.

H. P. STRONG, manager, Sherbrooke & Bleury, Montreal, to be manager, Seigneurs St., Montreal.

N. B. H. WATSON, accountant, Bridgetown, Barbados, to be manager, Basseterre, St. Kitts.

J. J. L. LAVOIE, assistant accountant, Quebec, to be accountant, St. Roch, Quebec.

L. M. EVELYN, manager, Basseterre, St. Kitts, retires.

**NOVA SCOTIA REPORTS**—that Yarmouth has been disappointed in its expected inclusion by Trans-Canada Air Lines on the Halifax-Boston run, to start this year. Reason given is that "the service is not warranted"; but in view of tourist traffic possibilities, the town is continuing to press for airways connection with the United States.

# Chartered Bank Loans Increase While Public Deposits Decline

Reduction of $426 millions in public deposits and increase of $897 millions in Dominion Government deposits in the chartered banks' return to the Finance Minister as at Nov. 30, reflects the transfer of private funds to the Dominion Government in the ninth Victory loan.

The decline in public deposits was smaller than in the previous two loans—$492 millions in the 8th and $477 millinos in the 7th. Demand deposits fell $256 millions and savings $175 millions. In spite of the decreases for the month, deposits in each case remained well above the previous year.

### Provinces' Deposits Drop

Provincial government deposits were lower for the month but higher for the year, the decline, together with an increase in provincial borrowings, reflecting provincial expenditures and also large cash payments by Alberta in refunding her public debt.

Total loans were up about $471 millions, of which $335 millions was in current loans due mainly to borrowing by investors to buy Victory bonds. In some cases expansion in ordinary commercial loans over last year, however, is reported and this tendency is expected to continue as reconversion proceeds. Call loans in Canada continued to increase due to the more active security markets.

Municipal loans which have been steadily declining recently, reversed their trend in November, rising $8 millions, a seasonal increase when the municipalities are awaiting tax revenues.

### Investments Decline

Banks' investments dropped $144 millions on the month, the decline being mainly in Dominion Government short term issues, probably treasury notes or deposit certificates paid off with money received from the Victory loan.

Banks' cash was slightly higher, probably the result of banks closing their years on Nov. 30 wanting to show a strong liquid position at their year end. The banks' note circulation continued to decline, dropping $572,000 on the month.

Important items in the statement, with comparisons, follow:

**Use of Bank Credit in Canada**
(In Millions of Dollars)

| | Nov. 1945 | Oct. 1945 | Change | Nov. 1944 | Change |
|---|---|---|---|---|---|
| Loans | 1,610.4 | 1,138.7 | +471.7 | 1,356.0 | +254.4 |
| Investments | 4,015.4 | 4,158.6 | —143.2 | 3,576.5 | +438.9 |
| Total | 5,625.8 | 5,297.3 | +328.5 | 4,932.5 | +693.3 |
| Deposits | 4,862.5 | 5,288.6 | —426.1 | 4,156.5 | +706.0 |
| Credit index* | 33.1% | 21.2% | +11.9 | 31.5% | +1.6 |

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

**ASSETS**

**Immediately Available Liquid Assets**
(In Thousands of Dollars)

| | Nov. 1945 | Oct. 1945 | Change | Nov. 1944 | Change |
|---|---|---|---|---|---|
| Canadian coin | 9,675 | 9,793 | —118 | 8,842 | +833 |
| Bank of Canada notes | 141,375 | 155,943 | —14,568 | 139,403 | +1,972 |
| Bank of Canada deposits | 495,225 | 474,176 | +21,049 | 437,224 | +58,001 |
| Bank's cash | 646,275 | 639,912 | +6,363 | 585,469 | +60,806 |
| Gold sub. coin abd. | 2,751 | 2,924 | —173 | 2,656 | +95 |
| Foreign banks | 225,237 | 251,395 | —26,158 | 232,236 | —6,999 |
| Foreign currency | 92,720 | 97,081 | —4,361 | 110,243 | —17,523 |
| Call loans abroad | 108,028 | 96,089 | +11,939 | 91,153 | +16,875 |
| Government securities: | | | | | |
| Dom. short term | 1,311,045 | 1,904,147 | —593,102 | 1,672,063 | —361,018 |
| Prov. short term | 135,050 | 123,027 | +22,023 | 157,520 | —22,470 |
| Dom. long term | 1,957,199 | 1,496,856 | +460,343 | 1,256,153 | +701,046 |
| Prov. long term | 168,820 | 178,446 | —9,626 | 135,349 | +33,471 |
| | 4,647,125 | 4,789,877 | —142,752 | 4,242,842 | +404,283 |
| **Loans and Securities Other Than Those of Canadian Government** | | | | | |
| Municipal secs. | 87,510 | 87,517 | —7 | 76,812 | +10,695 |
| Public secs.↓ | 241,456 | 257,603 | —16,147 | 196,021 | +45,435 |
| Other secs. | 114,332 | 111,032 | +3,300 | 82,580 | +31,752 |
| Can. call loans | 238,515 | 130,081 | +108,434 | 80,742 | +57,773 |
| Current loans | 1,314,321 | 978,652 | +335,669 | 1,231,088 | +83,233 |
| Loans abroad | 145,544 | 137,391 | +8,153 | 126,959 | +18,585 |
| Prov. loans | 30,059 | 11,137 | +18,922 | 7,664 | +22,395 |
| Mun. loans | 27,558 | 18,878 | +8,680 | 36,493 | —8,935 |
| | 2,199,295 | 1,732,291 | +467,004 | 1,838,359 | +360,936 |
| **Other Assets** | | | | | |
| Noncurrent loans | 976 | 1,068 | —92 | 1,535 | —559 |
| Real estate | 1,892 | 2,089 | —197 | 3,018 | —1,126 |
| Mortgages | 2,078 | 2,178 | —100 | 2,304 | —226 |
| Premises | 63,071 | 64,648 | —1,577 | 62,511 | +560 |
| Letters of credit | 135,413 | 136,243 | —830 | 124,065 | +11,348 |
| Loans to comp. | 10,495 | 9,135 | +1,360 | 124,065 | —13,570 |
| Other assets | 4,572 | 4,313 | +259 | 4,172 | +400 |
| | 218,497 | 219,674 | —1,177 | 208,270 | +10,227 |
| Total | 7,064,917 | 6,741,842 | +323,075 | 6,289,471 | +775,446 |
| Note circ. dep. | 1,692 | 1,692 | ........ | 2,263 | —571 |
| Int. bank bal. | 322,701 | 248,545 | +74,156 | 235,820 | +86,881 |
| Gross | 7,389,310 | 6,992,079 | +397,231 | 6,527,554 | +861,756 |
| **LIABILITIES** | | | | | |
| **To the Public** | | | | | |
| Circulation | 26,115 | 26,687 | —572 | 34,235 | —8,120 |
| Dom. Govt. | 1,053,065 | 155,932 | +897,133 | 969,600 | +83,465 |
| Prov. Govt. | 97,590 | 128,909 | —31,319 | 94,510 | +3,080 |
| **Deposits by Public** | | | | | |
| Demand dep. | 2,046,357 | 2,296,967 | —250,610 | 1,813,336 | +233,021 |
| Savings dep. | 2,816,218 | 2,991,624 | —175,406 | 2,343,141 | +473,077 |
| Total | 4,862,575 | 5,288,591 | —426,016 | 4,156,477 | +706,098 |
| **Foreign Deposits** | | | | | |
| Dep. elsewhere | 723,413 | 768,585 | —43,172 | 677,671 | +48,743 |
| For. curr. in Canada | 53,791 | 55,270 | —1,479 | 58,168 | —4,377 |
| Total | 779,204 | 823,855 | —44,651 | 735,839 | +44,365 |
| **Due to Banks Abroad** | | | | | |
| United Kingdom | 37,048 | 34,495 | +2,553 | 32,868 | +4,180 |
| Foreign | 67,436 | 70,666 | —3,230 | 55,049 | +12,387 |
| Letters of credit | 135,413 | 136,243 | —830 | 124,065 | +11,348 |
| Other liab. | 3,654 | 3,718 | —64 | 6,298 | —2,644 |
| Total public liab. | 7,062,100 | 6,669,096 | +393,004 | 6,108,943 | +953,157 |
| Due other banks | 26,909 | 19,532 | +7,377 | 17,587 | +9,322 |
| **Liability to Shareholders** | | | | | |
| Dividends | 1,496 | 2,456 | 960 | 1,500 | —4 |
| Reserve | 136,750 | 136,750 | ........ | 136,750 | ........ |
| Capital | 145,500 | 145,500 | ........ | 145,500 | ........ |
| Gross | 7,372,755 | 6,973,334 | +399,421 | 6,510,280 | +962,475 |

↓Other than Canadian.

**BELL TELEPHONE CO. OF CANADA** informs the Montreal Stock Exchange that it has registered certificates covering 817 shares of the capital stock under the Employees' Stock Plan, making a total of 866,025 shares isued to Jan. 10, 1945.

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# THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING JANUARY 14

## Montreal and Toronto
Week ending Monday close

## Winnipeg and Vancouver
Week ending Saturday close

## Mining Stocks

## Oil Stocks

## Government Bonds

Jan. 15, 1946

Supplied by Investment Dealers' Assoc. of Canada

| % | Due | Bid | Ask |
|---|---|---|---|
| **Victory Loans:** | | | |
| 3 | June 1951 | 105½ | 106 |
| 3 | Mar. 1954 | 104¾ | 105½ |
| 3 | Nov. 1956 | 103¾ | 104½ |
| 3 | May 1957 | 102¾ | 103½ |
| 3 | Jan. 1959 | 102¼ | 103¼ |
| 3 | June 1960 | 102¼ | 103 |
| 3 | Feb. 1962 | 102¼ | 102¾ |
| 2 | Dec. 1946 | 101⅛ | 101¼ |
| 2¼ | Mar. 1948 | 101½ | 102 |
| 1¾ | May 1946 | 100⅛ | 100¾ |
| 1¼ | Nov. 1946 | 100½ | 102 |
| 1¾ | May 1947 | 100½ | 102 |
| 1¾ | Mar. 1948 | 100½ | 102 |
| 1½ | Nov. 1948 | 101¾ | 100⅞ |
| 1¾ | Nov. 1949 | 100⅛ | 100⅝ |
| 3 | Oct. 1963 | 102⅛ | 102⅞ |
| **Dom. of Canada Bonds** | | | |
| 3¼ | June 1949 | 100⅞ | ... |
| 3¼ | Nov. 1951 | 104 | 104⅞ |
| 4 | Oct. 1952 | 104 1/5 | 104 4/5 |
| 3¼ | Feb. 1952 | 105½ | 106 |
| 3 | Oct. 1952 | 104¼ | 104¾ |
| 3 | June 1955 | 103¼ | 103¾ |
| 4½ | Nov. 1956 | 102¼ | 103 |
| 4½ | Nov. 1957 | ... | 105½ |
| 3 | June 1958 | 102 | 102¾ |
| 4½ | Nov. 1958 | 106⅞ | 107¾ |
| 4½ | June 1959 | 108⅞ | 109¼ |
| 3½ | June 1966 | 103⅞ | 104¼ |
| 3 | Perpetual | 99¼ | 100 |
| **Dom. Guarant'd Bonds** | | | |
| **Can. Nat. Railways:** | | | |
| 3 | Jan. 1959 | 101¼ | 101⅞ |
| 4½ | Sept. 1951 | 125¼ | ... |
| 4½ | Feb. 1956 | 131¼ | ... |
| 4½ | July 1957 | 133 | ... |
| 3 | Feb. 1953 | 102⅞ | 103 |
| 4¾ | June 1955 | 133 | ... |
| 3 | Feb. 1954 | 117 | 118¼ |
| 5 | Feb. 1970 | 127¼ | ... |
| 5 | Oct. 1969 | 128 | ... |
| **Can. Natl. W. Ind. S.S.:** | | | |
| 5 | Mar. 1955 | 134 | ... |
| **Grand Trunk Pacific Rly.:** | | | |
| 3 | Jan. 1962 | 115 | ... |
| 4 | Jan. 1962 | 129 | ... |
| **Provincial Govt. Bonds** | | | |
| **New Brunswick:** | | | |
| 3 | Oct. 1951 | 98¼ | 100⅞ |
| 3¼ | Aug. 1949 | 99¾ | 101¾ |
| 3½ | June 1956 | 101¼ | 103¼ |
| 4½ | Apr. 1961 | 128 | ... |
| 5 | Jan. 1960 | 132¼ | ... |
| **Nova Scotia:** | | | |
| 3 | Jan. 1952 | 99¾ | 101¾ |
| 3½ | June 1956 | 100¾ | 102¾ |
| 3½ | Nov. 1950 | 102¾ | 104¾ |
| 4½ | Sept. 1952 | 114 | ... |
| 4½ | Nov. 1960 | 128¾ | ... |
| 5 | Mar. 1960 | 133¼ | ... |
| **Ontario:** | | | |
| 3 | Apr. 1943 | 100 | 101 |
| 3 | Nov. 1950 | 101½ | 102½ |
| 3½ | Nov. 1951 | 103¼ | 104¾ |
| 3¼ | May 1955 | 104 | 105½ |
| 4 | June 1962 | 126¼ | ... |
| 4½ | June 1950 | 109 | 110½ |
| 4½ | Jan. 1962 | 130½ | ... |
| 5 | Oct. 1948 | 107½ | 109 |
| 5 | Dec. 1960 | 136½ | ... |
| 5½ | July 1946 | 101½ | 103 |
| **Ont. Hydro Commission:** | | | |
| 3 | Aug. 1948 | 100½ | 101¾ |
| 3½ | Feb. 1953 | 103½ | 104¾ |
| 3¼ | Apr. 1947 | 101¾ | 103¼ |
| **Prince Edward Island:** | | | |
| 4 | Mar. 1954 | 103 | 105 |
| **Quebec:** | | | |
| 3 | Nov. 1947 | 100¾ | 102¼ |
| 3½ | Mar. 1948 | 101¼ | 102¾ |
| 3½ | Mar. 1959 | 102½ | 104 |
| 4 | Nov. 1952 | 104¼ | 105¾ |
| 3¾ | Feb. 1955 | 103½ | 105 |
| 4½ | Aug. 1958 | 110 | 111½ |
| 4½ | Jan. 1963 | 116 | 117½ |
| **Alberta:** | | | |
| 3½ | June 1964 | 99½ | ... |
| 3½ | June 1966 | 99½ | ... |
| 3½ | June 1968 | 107½ | ... |
| 3½ | June 1972 | 107½ | ... |
| 3½ | June 1978 | 107 | ... |
| **British Columbia:** | | | |
| 4 | Dec. 1957 | 121 | ... |
| 4½ | Jan. 1951 | 120¼ | ... |
| 4½ | Oct. 1953 | 121¾ | ... |
| 5 | Apr. 1954 | 126½ | ... |
| 6 | Feb. 1947 | 102¾ | 104⅛ |
| **Manitoba:** | | | |
| 4 | Man. 1957 | 120 | ... |
| 4½ | Dec. 1956 | 124¾ | ... |
| 5 | Dec. 1959 | 132 | ... |
| 5 | Oct. 1955 | 116½ | 119½ |
| 6 | Apr. 1947 | 102½ | 105 |
| **Saskatchewan:** | | | |
| 4 | Sept. 1954 | 99 | 101½ |
| 4 | Nov. 1960 | 99 | 101½ |
| 4½ | Oct. 1951 | 110½ | ... |
| 4½ | Mar. 1960 | 110½ | ... |
| 5 | Aug. 1958 | 105 | 108 |
| 5½ | Oct. 1952 | 106 | 109 |
| 6 | Mar. 1952 | 107 | 110 |

## Unlisted Stocks

(Compiled from quotations by Kippen & Co. Inc., Plaxton, MacDonnell & Co., and Kamm, Garland & Co.)

Jan. 14, 1945

| | Bid | Ask |
|---|---|---|
| Abitibi, new com. | 15.00 | 16.00 |
| Abitibi, new $1.50 pfd. | 18.00 | 19.00 |
| Allens Toronto units | 38.00 | .... |
| Anglo Can. Telephone A | 10.25 | 11.75 |
| British Mortgage and Trust | 152.00 | .... |
| B. C. Sugar | 94.00 | 97.00 |
| Canada Machinery com. | 11.00 | .... |
| Canada Paving 1st pfd. | 7.00 | 8.50 |
| Can. Invest. Fund | 4.90 | 5.45 |
| Can. Investors Corp. | 7.50 | 9.00 |
| Canadian Motor Lamp A | 9.50 | 11.00 |
| Can. West Nat. Gas pfd. | 106.00 | .... |
| Capital Trust Co. $100 par | 58.00 | .... |
| Capital Wire Cloth com. | 6.00 | .... |
| Capital Wire Cloth pfd. | 22.00 | .... |
| Cawthra Apts. units | 3.50 | 5.00 |
| Chase, A. W., units | 30.00 | .... |
| Colonial Steamships com. | 87.00 | 92.00 |
| Commercial Finance com. | 10.00 | .... |
| Commercial Life 10% paid | 7.00 | .... |
| Commonwealth Inter. Corp. | 4.09 | 4.49 |
| Continental Life Assoc. | 140.00 | 150.00 |
| Continental Life 20% pf. | 35.00 | .... |
| Detroit International Br. | 29.50 | 32.00 |
| Dover Industries Ltd. | 10.50 | 12.00 |
| Dunlop Tire pfd. | 25.25 | 26.25 |
| Empire Life Ins. 25% paid. | 15.50 | 18.00 |
| Federal Foundries & Steel Co., new com. | 3.15 | 3.75 |
| Foreign Power Sec. pfd. | 15.00 | 20.00 |
| Galt Brass com. | 26.00 | .... |
| Goderich Elevator & Trans. | 15.50 | 17.00 |
| Great Lakes Power pfd. | 114.00 | 117.00 |
| Great West Life | 350.00 | 380.00 |
| Guardian Realty pfd. | 28.00 | .... |
| Guelph and Ont. Svgs. $50. | 53.00 | 55.00 |
| Gurney Foundry pfd. | 2.75 | 3.25 |
| Halifax Insurance | 17.00 | 18.00 |
| Hart Battery com. | 7.00 | 8.50 |
| Inter. Utilities $3.50 pfd. | 56.50 | 59.00 |
| Lambton Loan & Inv. $50 | 51.00 | .... |
| Loblaw Groc. Inc. | 19.50 | 21.00 |
| London & West. Trust $100. | 75.00 | .... |
| Manufacturers Life Ins. | 270.00 | 300.00 |
| Midland Loan & Svgs. $10. | 15.00 | 18.00 |
| Monarch Life Assoc. 20% | 61.00 | .... |
| Monarch Mtge. units | 2.75 | 3.75 |
| Morrison Brass com., new. | 3.50 | 4.50 |
| Mountainview Apts. pfd. | 8.50 | .... |
| National Drug & Chem. c. | 5.00 | 6.50 |
| National Hosiery pfd. | 4.00 | 5.00 |
| National Hosiery com. | 4.00 | .... |
| Ont. Tobacco Plant units | 20.00 | .... |
| Paramount Kitchener units | 53.00 | .... |
| Provincial Paper pfd. | 109.50 | 111.00 |
| Ruddy, E. L., pfd. | 140.00 | .... |
| St. John Drydock pfd. | 105.00 | .... |
| Sawyer Massey com. | 1.25 | 3.00 |
| Seiberling Rubber com. | 6.00 | 8.00 |
| Sincennes McNaughton T. | 2.00 | 3.00 |
| Sovereign Life Assce. 25% | 29.00 | .... |
| Standard Fuel pfd. | 97.00 | 100.00 |
| Standard Fuel com. | 1.50 | .... |
| Third Can. Gen. Inv. | 3.50 | 4.00 |
| Toronto Carpet pfd. | 98.00 | .... |
| Toronto General Ins. | 5.50 | 6.75 |
| Trusts & Guarantee $100 | 87.00 | .... |
| United Farmers Co-op | 3.00 | 4.00 |
| United Steel A pfd. | 26.00 | 27.50 |
| Victoria Trust & Svgs. | 109.00 | .... |
| Waterloo Mfg. com. | 9.00 | .... |
| Western Assurance com. | 60.00 | 63.00 |
| Western Grain com. | 1.75 | .... |
| Western Grain pfd. | 41.50 | .... |
| York Trading com. | 6.50 | 7.75 |

## Significant Investors' Index Numbers

| No. of Securities | Mach. and equip. 10 | Pulp and paper 7 | Milling 4 | Oils 4 | Textiles and clothing 10 | Food and allied prod. 13 | Beverages 8 | Bldg. mater. 16 | Power and traction 14 | Banks 8 | Total utilities 18 | Total co's. 100 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *1935 to date: (Base 1935-39=100) | | | | | | | | | | | | |
| High | 166.3 | 253.1 | 149.7 | 123.7 | 181.9 | 121.6 | 346.6 | 153.4 | 146.2 | 118.2 | 148.5 | 134.1 |
| Low | 69.7 | 51.6 | 61.2 | 41.2 | 78.4 | 73.5 | 79.3 | 66.7 | 60.2 | 60.0 | 65.2 | 61.1 |
| 1945: Weekly Figures: | | | | | | | | | | | | |
| Jan. | 120.7 | 149.9 | 108.7 | 74.8 | 135.5 | 105.8 | 175.5 | 102.4 | 99.3 | 90.0 | 107.7 | 89.4 |
| Feb. | 122.8 | 154.0 | 108.4 | 77.9 | 136.2 | 106.8 | 184.9 | 103.0 | 100.9 | 89.5 | 111.6 | 92.9 |
| Mar. | 123.1 | 152.4 | 102.4 | 79.1 | 136.3 | 106.2 | 182.0 | 102.6 | 100.7 | 90.0 | 110.4 | 93.2 |
| Apr. | 123.1 | 147.4 | 106.4 | 77.8 | 136.5 | 107.1 | 194.4 | 104.7 | 101.6 | 89.6 | 112.4 | 94.2 |
| May | 131.6 | 151.3 | 110.1 | 78.9 | 140.8 | 105.7 | 202.6 | 107.8 | 102.8 | 90.1 | 115.0 | 97.6 |
| June | 138.2 | 160.5 | 117.2 | 82.8 | 149.7 | 107.6 | 212.1 | 116.9 | 109.7 | 96.6 | 126.5 | 102.5 |
| July | 137.0 | 155.3 | [illegible] | 79.7 | 150.4 | 110.7 | 212.0 | 117.1 | 107.4 | 99.1 | 125.0 | 100.3 |
| Aug. | 137.6 | 155.6 | 112.2 | 78.5 | 151.3 | 110.5 | 215.2 | 118.2 | 104.5 | 98.5 | 121.7 | 99.6 |
| Sept. | 138.6 | 169.3 | 115.1 | 77.9 | 153.4 | 113.7 | 226.0 | 122.2 | 108.4 | 98.1 | 124.7 | 102.0 |
| Oct. | 141.3 | 183.8 | 115.6 | 77.0 | 153.9 | 115.6 | 266.2 | 127.4 | 107.9 | 98.9 | 124.6 | 104.2 |
| Nov. | 145.2 | 201.5 | 121.9 | 79.0 | 167.1 | 116.6 | 289.7 | 131.3 | 108.0 | 100.2 | 126.0 | 107.2 |
| 1945: Weekly Figures: | | | | | | | | | | | | |
| Dec. 6 | 154.9 | 214.3 | 126.0 | 81.7 | 170.8 | 115.9 | 297.0 | 135.5 | 114.4 | 101.5 | 134.2 | 111.9 |
| Dec. 13 | 154.0 | 209.3 | 128.5 | 80.8 | 171.0 | 115.0 | 297.1 | 136.7 | 111.9 | 103.3 | 133.4 | 110.9 |
| Dec. 20 | 154.1 | 223.8 | 127.8 | 80.4 | 172.7 | 116.3 | 295.1 | 137.0 | 114.3 | 106.6 | 134.8 | 111.2 |
| Dec. 27 | 156.1 | 241.5 | 127.7 | 82.3 | 176.2 | 117.3 | 305.6 | 141.4 | 115.2 | 112.0 | 136.8 | 113.3 |
| 1946: Weekly Figures: | | | | | | | | | | | | |
| Jan. 3 | 156.5 | 244.1 | 126.7 | 82.1 | 178.3 | 119.2 | 331.9 | 142.1 | 117.7 | 114.0 | 140.3 | 115.8 |
| Jan. 10 | 166.3 | 253.1 | 128.9 | 89.8 | 181.9 | 121.6 | 346.6 | 146.3 | 127.1 | 117.1 | 148.5 | 121.5 |

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

### Toronto Stock Exchange Index

| | 20 Indust. | 20 Golds | 10 B.M. | 15 W.O. |
|---|---|---|---|---|
| Jan. 15 | 187.54 | 143.81 | 103.88 | 33.30 |
| Jan. 14 | 187.79 | 143.77 | 103.80 | 32.32 |
| Jan. 12 | ..... | ..... | ..... | ..... |
| Jan. 11 | 186.64 | 143.61 | 102.90 | 31.95 |
| Jan. 10 | 184.94 | 142.38 | 101.47 | 31.49 |
| Jan. 9 | 183.76 | 141.77 | 100.50 | 31.36 |
| Month ago | 171.93 | 138.94 | 88.96 | 30.01 |
| Year ago | 134.56 | 110.28 | 74.20 | 27.72 |
| 1945-46 High | 187.79 | 143.81 | 103.88 | 33.30 |
| 1945-46 Low | 131.90 | 107.98 | 72.49 | 26.35 |

### Montreal Stock Exchange Average

| | 10 Util. | 20 Ind. | 20 Comb. | 10 Pprs. | 15 Golds |
|---|---|---|---|---|---|
| Jan. 15 | 77.2 | 133.1 | 114.5 | 333.37 | 111.32 |
| Jan. 14 | 77.2 | 132.9 | 114.4 | 336.86 | 111.41 |
| Jan. 12 | ... | ..... | ..... | ..... | ..... |
| Jan. 11 | 77.3 | 132.6 | 114.2 | 335.88 | 111.84 |
| Jan. 10 | 77.0 | 131.4 | 113.3 | 336.59 | 111.76 |
| Jan. 9 | 75.9 | 130.0 | 112.0 | 334.67 | 110.04 |
| Month ago | 77.7 | 121.0 | 104.6 | 277.27 | 107.74 |
| Year ago | 60.1 | 95.2 | 83.5 | 193.52 | 79.86 |
| 1946 High | 77.3 | 133.1 | 114.5 | 336.86 | 111.84 |
| 1946 Low | 73.5 | 127.2 | 109.4 | 321.33 | 109.38 |

### Dow-Jones Closing Stock Averages

| | 30 Indust. | 20 Rails | 15 Util. | 65 Stocks |
|---|---|---|---|---|
| Jan. 15 | 202.97 | 66.44 | 40.25 | 76.01 |
| Jan. 14 | 201.93 | 66.14 | 40.30 | 75.69 |
| Jan. 12 | 199.44 | 64.88 | 39.83 | 74.63 |
| Jan. 11 | 200.04 | 65.03 | 39.89 | 78.42 |
| Jan. 10 | 199.16 | 64.75 | 39.55 | 74.45 |
| Jan. 9 | 197.33 | 64.73 | 39.32 | 73.98 |
| Month ago | 190.98 | 63.24 | 37.50 | 71.65 |
| Year ago | 154.60 | 48.95 | 26.63 | 57.31 |
| 1945-46 High | 202.97 | 66.44 | 40.30 | 76.01 |
| 1945-46 Low | 151.35 | 47.03 | 26.15 | 55.86 |

## Unlisted Mines

Approximate quotations, 3 p.m., Jan. 16, subject to confirmation:

| | Bid | Ask |
|---|---|---|
| Abenakis | .12 | .14 |
| Advance | .18 | .21 |
| Albany R (new) | .42 | .45 |
| Alcan | .04 | .06 |
| Alexander | .44 | .47 |
| Aljo | .07 | .08 |
| Ama Kir | .18 | .22 |
| Ama Lar | 2.35 | 2.45 |
| Amer Y | .24 | .27 |
| Ang Ro | 1.80 | 1.90 |
| Anna'que | .08 | .10 |
| Anoki | .12 | .14 |
| Apex Oil | .08 | .09 |
| Argonaut | .15 | .18 |
| Arntfield (old) | .07 | .09 |
| Audley | .05 | .07 |
| Aurlando | .10 | .12 |
| Aurora Y | .47 | .50 |
| Auterra | .04 | .06 |
| Barb L n | .07 | .09 |
| Blondor | .19 | .21 |
| Blue Gras | .10 | .12 |
| Bouzanne | .24 | .27 |
| Bravo | .07 | .09 |
| Brig R L | .15 | .17 |
| Brock | .15 | .18 |
| Burley Po | .04½ | .05½ |
| Calder Bo | .34 | .37 |
| Camlaren | .14 | .16 |
| Carricona | .10 | .12 |
| Cen Mani | .08 | .10 |
| Cock R L | .09 | .11 |
| Columbier | .35 | .37 |
| Con Chib | .43 | .46 |
| Con Cop | .40 | .42 |
| Courageo | .28 | .32 |
| Craibbe | .50 | .55 |
| Croydon | .21 | .24 |
| Cuyuni | 2.70 | 2.80 |
| D'Aragon | .58 | .61 |
| Derlak | .10 | .12 |
| De Santis (new) | .12 | .14 |
| Dexter | 1.10 | 1.20 |
| Discovery | .64 | .68 |
| Dom Mal | .07 | .09 |
| Dona Pat | .07½ | .09 |
| Dunford | .15 | .17 |
| Eastward | .28 | .32 |
| Electra | .27 | .30 |
| Elmac | .44 | .47 |
| Erin Kirk | .05 | .06 |
| Eurek C | 2.65 | 2.75 |
| Gilbec | .04 | .05 |
| Goldvue | .78 | .83 |
| Goodrock | .05 | .07 |
| Greenlee | .19 | .22 |
| Gwillam | .46 | .49 |
| Habitant | 1.25 | 1.30 |
| Harp Mal | .08 | .09 |
| Hayes Cd | .06 | .07 |
| Highridge | .18 | .20 |
| Hoyle | .24 | .27 |
| Hugh P P | .15 | .18 |
| Independ | .20 | .22 |
| Indyke | .48 | .53 |
| Joannes D | .06½ | .08 |
| Kamlac | .37 | .40 |
| Ken-Bay | .40 | .45 |
| Kencour | .10 | .12 |
| Kenda Pe | .30 | .32 |
| Kenroy | .08 | .10 |
| Laguerre | .35 | .37 |
| Lk Expa | .14 | .16 |
| Lar-Add | .09 | .11 |
| Larder U | .13 | .15 |
| La Salle | .21 | .23 |
| Lavalie | .15½ | .17 |
| Legardo | .05 | .06 |
| Lingnora | .22 | .25 |
| Louvore | .05 | .07 |
| Major Oil | .12 | .13 |
| Manterre | .08 | .10 |
| Marbenor | .28 | .31 |
| Marquette | .05 | .06 |
| Mar Bird | .15 | .17 |
| Mary Ann | .11 | .13 |
| Mat Con | .43 | .48 |
| Mate Ye | .13 | .15 |
| Metalore | .03½ | .05 |
| Mic of Cn | .23 | .26 |
| Moffat H (new) | .04 | .05 |
| Mohawk P | .05 | .06 |
| Murbell | .05½ | .06 |
| Murmac | .23 | .26 |
| Myla'que | .25 | .27 |
| McCuaig | .21 | .23 |
| McManus | .15 | .17 |
| Nat Mal | .43 | .45 |
| Nayb '45 | .70 | .75 |
| Nereco | .49 | .53 |
| New Aug | .21 | .23 |
| New Mal | .42 | .45 |
| New Nor | .26 | .29 |
| Nic Off | 2.50 | 2.90 |
| Norbeau | .90 | 1.00 |
| Norcourt | .14 | .17 |
| Norford | .10 | .12 |
| Nortyne | .05 | .08 |
| Novell P | .11 | .13 |
| Obalski | .27 | .29 |
| Obaska | .35 | .40 |
| Okled | .17 | .19 |
| Olivet | .06 | .07 |
| Opemiska | .33 | .36 |
| Orlac | .50 | .53 |
| Orpit | .10 | .13 |
| Ortona | .15 | .18 |
| Pascalis | .42 | .45 |
| Peg Tan | 1.90 | 2.00 |
| Pelangio | .09 | .11 |
| Phelps | .29 | .32 |
| Pinnacle | .09 | .11 |
| Poona Go | .04 | .. |
| Presdor | .06½ | .07½ |
| Quest | .35 | .38 |
| Privateer | .77 | .82 |
| Rajah R L | .08 | .10 |
| Rambull | .05 | .06 |
| Rand Mal | .19 | .21 |
| Raym Tib | .13 | .15 |
| Rebair | .43 | .45 |
| Redruth | .20 | .23 |
| Redwood | .15 | .17 |
| Richgroup | .20 | .23 |
| Richmac | .62 | .65 |
| Ritoria | .10 | .12 |
| Rhyolite | .07 | .09 |
| Santiago | .68 | .71 |
| Sheldon | .40 | .45 |
| Skyn Lk | .07 | .09 |
| Steeber | .18 | .21 |
| Sun Bear | .09 | .11 |
| Thornhill | .34 | .36 |
| Tiffany | .09 | .11 |
| Tobico | .05 | .06 |
| Tombill | .50 | .55 |
| Tovarich | .07½ | .09 |
| Val D'Bel | .14 | .16 |
| Vin Min | 1.05 | 1.20 |
| Vinray | .19 | .22 |
| Virginia | .27 | .30 |
| Weku Con | .47 | .50 |
| Wesley | .05½ | .06½ |
| West R L | .09 | .11 |
| West Shor | .05 | .06 |
| Wilwood | .10 | .12 |
| Wincheste | .16 | .19 |
| Wingait | .20 | .23 |
| Y Davids | .30 | .33 |

## Volume of Stock Sales

| | Montreal | Toronto | Vancouver | New York |
|---|---|---|---|---|
| Jan. 15 | 540,500 | 3,201,000 | 231,933 | 3,860,000 |
| Jan. 14 | 527,600 | 3,832,000 | 314,513 | 3,880,000 |
| Jan. 12 | ...... | ........ | ...... | 1,850,000 |
| Jan. 11 | 629,000 | ........ | 380,351 | 3,760,000 |
| Jan. 10 | 500,700 | 2,760,000 | ...... | 3,460,000 |
| Jan. 9 | 515,000 | 2,664,000 | 424,436 | 3,910,000 |

## STOCKS NOT TRADED THIS WEEK

## Mining Stocks

## Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS
OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

| | Date Issued | —Sold to— | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| **Dominion** | | | | | | | |
| Canada Treasury Bills | Dec. 28 | .................. | .... | Mar. 29, 1946 | $75,000,000 | 99.90956 | .363% |
| **Provincial** | | | | | | | |
| Prov. of New Brunswick | Dec. 27 | Dominion Securities Corp. & Synd. | 2½% | Dec. 16, 1951 | 2,750,000 | 99.27 | ..... |
| **Municipal** | | | | | | | |
| City of Ottawa, Ont. | Dec. 18 | Bank of Nova Scotia | 2%<br>2½%<br>3% | 1-5 yr. sers.<br>1-10 yr. sers.<br>1-15 yr. sers. | 80,000<br>78,200<br>18,100 | .....<br>..... | ..... |
| Town of Mount Royal, P.Q. | Dec. 19 | Bank of Montreal | 2¾%, 3%, 3¼% | Feb. 18, 1947-76 | 375,000 | 99.817 | ..... |
| Town of Shelburne, N.S. | Dec. 27 | Eastern Trust Co. | 3% | Dec. 1, 1946-50 | 10,000 | 101.00 | ..... |
| Town of Windsor, N.S. | Dec. 27 | J. C. MacIntosh & Co. | 3% | Dec. 1, 1946-57 | 19,500 | 101.38 | ..... |
| Twp. of Pelham, Ont. | Dec. 27 | Burns Bros. & Denton | 3% | Dec. 31, 1946-60 | 20,000 | 100.08 | ..... |
| **Bond Issues** | | | | | | | |
| Lower St. Lawrence Power Co. | Dec. 27 | CR. Interprovincial Ltd. & Synd. | 4%, 4½% | Dec. 1, 1947-60 | 500,000 | Offered 100. | ..... |
| Forana Ltd. | Dec. 27 | Clemen, Guimont Inc. | 3½%, 4%, 4½% | Dec. 1, 1946-62 | 250,000 | 100. | ..... |

## Dividends Declared

| | This payment $ | Date payable | Date of record |
|---|---|---|---|
| Aluminum Co. of Can. 5% | 1.25 | Feb. 1 | Jan. 3 |
| Ang.-Norcross Corp | 1.50 | Feb. 1 | Dec. 31 |
| Argus Corp. 4½% p. | 1.12½ | Mar. 1 | Jan. 31 |
| Ang.-Can. Tel. A. | .15 | Mar. 1 | Feb. 8 |
| Do., 5½% pfd. | .68¾ | Feb. 1 | Jan. 10 |
| Ang.-Huronian | .10 | Jan. 31 | Jan. 9 |
| Atlas Steels | .25 | Feb. 1 | Jan. 16 |
| Ault & Wiborg pf. | 1.37½ | Feb. 1 | Jan. 15 |
| Bk. of Montreal | .20 | Mar. 1 | Jan. 31 |
| Bk. of Nova Scotia | .25 | Feb. 1 | Jan. 16 |
| Bathurst Power | .25 | Mar. 1 | Jan. 31 |
| Beaver Lumber | .50 | Feb. 1 | Jan. 10 |
| Do. | | Apr. 1 | Mar. 10 |
| Belding-Cort. | *2.00 | Mar. 1 | Jan. 31 |
| Blue Ribbon pf. | .62½ | Feb. 1 | Jan. 19 |
| Brewing Corp. | .62½ | Mar. 11 | Feb. 25 |
| B. C. Tele. 1st pf. | 1.50 | Feb. 1 | Jan. 17 |
| Caldwell Linen | .25 | Feb. 1 | Jan. 15 |
| Do., 1st pref. | .38 | Feb. 1 | Jan. 15 |
| Do., 2nd pref. | .20 | Feb. 1 | Jan. 15 |
| C. Bk. of Com. | .15 | Feb. 1 | Dec. 31 |
| Can. Cement pf. | 1.62½ | Mar. 20 | Feb. 22 |
| Can. Breweries | .25 | Apr. 1 | Feb. 28 |
| Can. Northern Pr. | .15 | Jan. 25 | Dec. 20 |
| Candn. Fgn. Inv. | .75 | Apr. 1 | Mar. 1 |
| Candn. Bronze | .37½ | Feb. 1 | Jan. 10 |
| Do., 5% pf. | 1.25 | Feb. 1 | Jan. 10 |
| Can. Food Prod. | .12½ | Apr. 1 | Feb. 28 |
| Do., "A" | .25 | Apr. 1 | Feb. 28 |
| Do., In. Fun. Rts. | 1.00 | Mar. 15 | Dec. 31 |
| Can. & Fgn. Sec. | .06+.04 | Feb. 1 | Jan. 17 |
| Candn. Industries | 1.75 | Jan. 31 | Jan. 12 |
| Can. So. Rlwy. | †1.50 | Feb. 1 | Dec. 26 |
| C. P. R. 4% pf. | 2% | Feb. 1 | Dec. 31 |
| Calgary Pwr. p. | 1.50 | Feb. 1 | Jan. 10 |
| Capital Trust | 3.00 | Mar. 1 | Dec. 31 |
| Celtic Knit. | .20 | Feb. 4 | Jan. 16 |
| Coast Brew. | .03 | Feb. 1 | Jan. 15 |
| Collingwood Ter. | .25 | Jan. 31 | Jan. 15 |
| Do., pref. | .25 | Jan. 31 | Jan. 15 |
| Dome Mines | .30 | Jan. 30 | Dec. 29 |
| Distil. Corp.Seag. 5% pf. | 1.25▪ | Feb. 1 | Jan. 11 |
| Dom. Bank | .20 | Feb. 1 | Jan. 15 |
| Dom. Fabrics | .20 | Feb. 1 | Jan. 15 |
| Do., 1st pref. | .75 | Feb. 1 | Jan. 15 |
| Do., 2nd pref. | .37½ | Feb. 1 | Jan. 15 |
| Dom. Malting | .20 | Feb. 1 | Dec. 31 |
| Do. | 1.25 | Feb. 1 | Dec. 30 |
| Dom. Oilcloth | .30+.10 | Jan. 31 | Jan. 3 |
| Dom. Tar & Chem. | *.25 | Feb. 1 | Jan. 2 |
| Do., 5½% pf. | 1.37½ | Feb. 1 | Jan. 2 |
| Dom. Woollens | .12½ | Feb. 1 | Jan. 15 |
| Donnacona Pap. | .25 | Mar. 1 | Jan. 15 |
| Electrolux Corp. | †.25 | Feb. 11 | Jan. 10 |
| Farmers' Tel. | .62 | Jan. 31 | Dec. 31 |
| Federal Grain pfd. | 2.00 | Feb. 1 | Jan. 15 |
| Fraser Co. | .50 | Jan. 25 | Dec. 31 |
| Gen. Steel Wares. | .20 | Feb. 15 | Jan. 17 |
| Do., 5% pref. | 1.25 | Feb. 1 | Jan. 18 |
| Granby Elastic 5½% pf. | .69 | Feb. 1 | Jan. 15 |
| Goulds Pu ps 7% p. | 1.00 | Jan. 28 | Dec. 28 |
| Granville Oils | .00½ | Jan. 31 | Jan. 12 |
| Imp. Bank | .25 | Feb. 1 | Dec. 31 |
| Inspiration Min. | .02 | Jan. 31 | Dec. 31 |
| Inter City Bak. | *1.00 | Jan. 31 | Jan. 17 |
| Intnl. Nickel 7% p. | 1¾% | Feb. 1 | Jan. 2 |
| Lamaque Gold | .05 | Feb. 1 | Dec. 20 |
| Langley's 7% pfd. | .50 | Mar. 11 | Mar. 4 |
| Do. | .50 | June 11 | June 4 |
| Do. | .50 | Sept. 11 | Sept. 4 |
| Do. | .50 | Dec. 11 | Dec. 4 |
| Laura Secord | .20 | Mar. 1 | Feb. 1 |
| Legare 6% pfd. | 2.00 | Feb. 15 | Jan. 23 |
| Mercury Mills | .20 | Feb. 1 | Jan. 15 |
| Monarch Kt. 7% p. | 1.75 | Apr. 1 | Feb. 22 |
| Do., 5% pf. | 1.25 | Apr. 1 | Feb. 22 |
| J. S. Mitchell | 2.50 | Mar. 1 | Feb. 8 |
| McIntyre-Porc. | .55½ | Mar. 1 | Feb. 1 |
| O'Brien G. M. | .06 | Jan. 29 | Dec. 28 |
| Ont. Steel | .25 | Feb. 15 | Jan. 15 |
| Do., 7% pf. | 1.75 | Feb. 15 | Jan. 15 |
| Orange Crush .70c p | .70 | Feb. 1 | Dec. 31 |
| Penmans Ltd. | .75 | Feb. 15 | Jan. 15 |
| Do., 6% pfd. | 1.50 | Feb. 1 | Jan. 11 |
| Photo Engravers | .50 | Mar. 1 | Feb. 15 |
| Purity Flour | .62½ | Feb. 1 | Jan. 24 |
| Quebec Power | .25 | Feb. 25 | Jan. 24 |
| Rolland Paper | .15 | Feb. 15 | Feb. 5 |
| Do., 6% pf. | 1.50 | Mar. 1 | Feb. 15 |
| Sarnia Bridge | .25 | Mar. 15 | Feb. 28 |
| Sherwin-Williams | .15 | Feb. 1 | Jan. 10 |
| N. Slater Co. | .30 | Feb. 1 | Jan. 10 |
| Silknit Fund Rts. | 1.00 | Jan. 25 | Dec. 31 |
| Shawinigan W.& P. | .25 | Feb. 25 | Jan. 18 |
| Sigma Mines | .30 | Jan. 28 | Dec. 28 |
| Silverw'd Dairies | .20+.10‡ | Apr. 1 | Feb. 28 |
| Do., 40c pf. | .20 | Apr. 1 | Feb. 28 |
| Smith Paper, H. | .25 | Jan. 30 | Dec. 31 |
| Do., 6% pf. | 1.50 | Jan. 21 | Dec. 31 |
| Southern Can. Pr. | .20 | Feb. 15 | Jan. 18 |
| Southam Co. | .19 | Feb. 15 | Jan. 13 |
| St. Law. Flour | .35 | Feb. 1 | Dec. 31 |
| Do., 7% pf. | 1.75 | Feb. 1 | Dec. 31 |
| Std. Chem. 5% pf. | 1.25 | Mar. 1 | Jan. 31 |
| Steel of Can. | .75 | Feb. 1 | Jan. 2 |
| Do., 7% pf. | .75 | Feb. 1 | Jan. 2 |
| Teck-Hughes G. M. | .05 | Feb. 1 | Dec. 20 |
| United Corp. "A" | .38 | Feb. 15 | Jan. 11 |
| United Dist. | .10 | Jan. 22 | Jan. 10 |
| Wood, A. & J. 7% p. | 1.75 | Feb. 1 | Jan. 15 |
| Zellers | .20+.20 | Feb. 1 | Jan. 15 |
| Do., 5% pfd. | .31¼ | Feb. 1 | Jan. 15 |
| Do., 6% pfd. | .37½ | Feb. 1 | Jan. 15 |

†N. Y. funds.
*Extra.
▪Subject to approval of Foreign Exchange Control Board.

## Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Jan. 15, 1946

| Public Utility Issues: | Int. Rate % | Due | Bid | Ask. | Prev. Week Bid |
|---|---|---|---|---|---|
| ▲Alg. Cen. H.B.R. | 5 | '59 | 66 | 69 | 66 |
| †Assoc. Tel. & T. | 5½ | '55 | 113½ | 116 | 114 |
| B. C. Pwr. | 4½ | '60 | 103½ | 105½ | 102½ |
| B. C. Tel. | 4½ | '61 | 106½ | 109 | 106½ |
| †Calgary Pwr. | 5 | '60 | 115 | ... | 115 |
| Do. | 5 | '64 | 105 | 107½ | 105 |
| Gatineau Pwr. A | 3½ | '69 | 115½ | ... | 115 |
| ♦Do., B | 3½ | '69 | 104 | 106½ | 104 |
| Gt. Lakes Pwr. | 4½ | '56 | 102½ | 105 | 102½ |
| Do. | 5 | '57 | 102½ | 105 | 102½ |
| *Int. Hydro-El. | 6 | '44 | 106 | 109 | 105½ |
| L. St. Law. Pr. | 3½ | '65 | 98½ | 101 | 97½ |
| Macl'n-Que. Pr. | 4 | '59 | 102½ | 105 | 102½ |
| Mtl. L. H. & Pr. | 3½ | '56 | 101 | 103½ | 101 |
| Do. | 3½ | '73 | 100 | 102½ | 101 |
| Do. | 3½ | '63 | 101 | ... | 101 |
| †Mtl. Tramways | 5 | '51 | 109 | ... | 109 |
| †Do. | 5 | '55 | 102 | 104½ | 102 |
| Nat. Lt. & Pr. | 4½ | '61 | 100½ | ... | 100½ |
| N. S. Lt. Pr. | 4 | '57 | 102½ | 105 | 102½ |
| Ottawa L.H.& P. | 4 | '57 | 102 | ... | 102 |
| Ottawa V. Pwr. | 5 | '59 | 102 | ... | 102 |
| †Power Corp. | 4½ | '59 | 115 | 117½ | 115 |
| Quebec Pwr. | 4 | '62 | 102 | ... | 102 |
| *Saguenay P. A a | 4½ | '66 | 114 | ... | 114½ |
| ♦Do., B | 4½ | '66 | 104 | 106½ | 104 |
| St. Maurice Pr. | 3½ | '70 | 101½ | 102 | 101 |
| Shaw. W. & Pr. | 4 | '61 | 103 | 105½ | 103 |
| †Do. | 3½ | '70 | 101 | 103½ | 100½ |
| Do. | 4 | '69 | 103½ | 106 | 103½ |
| Union Gas | 4½ | '50 | 100½ | 102½ | 100½ |
| †United Secs. | 3 | '52 | 98 | ... | 97½ |
| †Wpg. El. Ser. A | 5 | '65 | 100½ | 103 | 100½ |
| Do., B | 5 | '65 | 103 | 105½ | 103 |
| **Industrial and Realty Issues:** | | | | | |
| †Abitibi P & P C.O.D. | 5 | '53 | 115½ | 118 | 116½ |
| Acadia-Atlantic Sugar | 3½ | '65 | 100 | 103 | 100 |
| †Alta. Pa. Grain | 6 | '46 | 109½ | ... | 108½ |
| Algoma Steel | 5 | '48 | 102 | 104½ | 102 |
| †B. C. Pulp & P. | 6 | '50 | 106 | ... | 106 |
| ‡†Do. | 7 | '50 | 101 | 103½ | 101 |
| *Brown Co. | 5 | '59 | 106½ | 109 | 105½ |
| Burns & Co. | 5 | '58 | 99 | 101½ | 98½ |
| Canada Cement | 4½ | '51 | 102 | 104 | 102 |
| Canada Electric | 4½ | '65 | 101 | ... | 101 |
| Can. Steamship | 3½ | '57 | 99 | 101½ | 98½ |
| ‡Can. Locomotive | 6 | '53 | 108 | ... | 107 |
| ‡†Can. Vickers | 6 | '47 | 108 | 110½ | 108½ |
| Can. Pac. Rly. | 3½ | '51 | 103½ | 105½ | 103½ |
| Do. | 4 | '49 | 105½ | 107½ | 105½ |
| †Consol. Paper | 5½ | '61 | 109 | 111½ | 109½ |
| Dom. Coal | 4½ | '52 | 101 | 103½ | 101 |
| Dom. Scott Inv. | 4 | '52 | 101½ | ... | 101½ |
| Dom. Stl. & C. | 6½ | '55 | 110 | ... | 110 |
| Dom. Woollens | 5 | '64 | 100 | 102½ | 99½ |
| †Donnacona Pap. | 4½ | '56 | 107½ | 110½ | 107 |
| *Dryden Pap. | 6 | '49 | 107½ | ... | 107½ |
| Famous Players | 4½ | '51 | 102½ | 105 | 102½ |
| †Federal Grain | 6 | '49 | 112 | ... | 112 |
| *Great L. Pap. | 5 | '55 | 111½ | 114 | 111½ |
| *Gurney Fdry. | 5½ | '49 | 102 | ... | 102 |
| ‡Gypsum Lime | 5½ | '48 | 109½ | 112 | 109½ |
| Ham. Cotton | 3½ | '59 | 99½ | ... | 99½ |
| Inter-City Bak. | 5½ | '48 | 101 | ... | 101 |
| Indust. Accept. | 4 | '52 | 100½ | 103 | 100½ |
| Ins. Ex. Bldg. | 3 | '51 | 90 | ... | 90 |
| *Inter. P. Nfld. (Bowater's P&P) | 5 | '68 | 110½ | ... | 110½ |
| *Inv. Bond & Sh. | 5 | '47 | 97 | 100 | 96½ |
| Lake St. J. P. | 5½ | '61 | 103 | 105½ | 102½ |
| Do. | 5 | '61 | 102 | 104½ | 102 |
| Legare | 6 | '61 | 100 | ... | 100 |
| Maple L. M. | 5½ | '58 | 99½ | 101½ | 99 |
| Man. Sugar | 5 | '60 | 103 | 106 | 103 |
| Massey-Harris | 4½ | '54 | 103 | 105 | 103 |
| McColl-Fron. | 4½ | '49 | 102 | 104½ | 102 |
| McCormicks | 4 | '52 | 101 | ... | 101 |
| Mercury Mills | 5 | '59 | 100½ | 103 | 100½ |
| Moirs Ltd. | 6 | '53 | 100½ | ... | 100½ |
| ‡Mtrl. Drydocks | 6 | '48 | 99½ | 102 | 99½ |
| Montreal Apts. | 4 | '54 | 94 | 97 | 94 |
| N. S. Stl. Coal | 3½ | '63 | 97 | 100 | 97 |
| Price Bros. | 5 | '57 | 103 | 105½ | 103 |
| *Prov. Paper | 5½ | '47 | 111 | ... | 110 |
| Reliance Grain | 4½ | '52 | 100½ | ... | 100½ |
| Silv. Dairies | 6 | '66 | 101 | 103½ | 101 |
| Simpsons, Ltd. | 3½ | '60 | 100 | 102½ | 100 |
| United Corp. | 4 | '58 | 100 | 103 | 100 |
| United Gr. Grs. | 4½ | '58 | 100½ | 103 | 100½ |
| †Western Grain | 5 | '63 | 99 | 101½ | 98 |

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
°Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

## Company Meetings

| 1946 | Company | Place |
|---|---|---|
| Jan. 23 | Brand.-Henderson | Montreal |
| Jan. 23 | Continental Life | Toronto |
| Jan. 23 | Nat'l Trust Co. | Toronto |
| Jan. 24 | Excelsior Life Ins. | Toronto |
| Jan. 24 | London Life Ins. | London, Ont. |
| Jan. 25 | Crown Life Ins. | Toronto |
| Jan. 25 | Western Life Assce. | Hamilton |
| Feb. 4 | Federal Kirkland Mng. | Toronto |
| Feb. 6 | Belding-Corticelli | Montreal |
| Feb. 7 | Celanese Corp. of Am.♦ | New York |
| Feb. 7 | Mutual Life Assce. | Waterloo |
| Feb. 25 | Montreal Life Ins. | Montreal |
| Feb. 25 | Trusts and Guarantee | Toronto |

♦Postponed from Jan. 3.

## DIVIDEND NOTICES

### BANK OF MONTREAL

ESTABLISHED 1817

DIVIDEND NO. 331

NOTICE is hereby given that a DIVIDEND of TWENTY CENTS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after FRIDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 31st January, 1946.

By Order of the Board.

B. C. GARDNER,
General Manager.

Montreal, 8th January, 1946.

### PENMANS LIMITED

**Dividend Notice**

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1946.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of February to Shareholders of record of the 11th day of January, 1946.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 15th day of January, 1946.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal,
January 4, 1946.

### THE DOMINION BANK

**Dividend No. 253**

Notice is hereby given that a dividend of two per cent (twenty cents per share) upon the paid up capital stock of this Institution has been declared for the quarter ending 31st January, 1946. The dividend will be payable at the Head Office of the Bank and its Branches on and after Friday, the first day of February, 1946, to shareholders of record of the 15th January, 1946.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 13th December, 1945.

### Blue Ribbon Corporation Limited

Notice is hereby given that a dividend of sixty-two and a half cents (62½c) per share on the preferred shares of the Company has been declared payable on and after the first day of February, 1946, to holders of record at the close of business on the 19th day of January, 1946.

DATED AT TORONTO this 8th day of January, 1946.

D. W. LAVERTY
Secretary-Treasurer.

DIVIDEND NOTICE NO. 12

### FEDERATED PETROLEUMS LTD.

TAKE NOTICE that an interim dividend of 3c per share will be paid by Federated Petroleums Ltd. on January 24th, 1946 to all shareholders of record at the close of business on January 15th, 1946. Payment of this dividend is subject to the approval of the Foreign Exchange Control Board.

DATED at Calgary, Alberta this 15th day of November, A.D. 1945.

BY ORDER OF THE BOARD
JOHN W. MOYER
Secretary.

### CANADIAN BREWERIES LIMITED

**Dividend Notice**

Notice is hereby given that a dividend of twenty-five cents (25c) per share has been declared on the outstanding Capital Stock of this Company, payable April 1st, 1946, to shareholders of record at the close of business February 28th, 1946.

By Order of the Board.

W. C. BUTLER,
Secretary.

Toronto, January 8th, 1946.

### Belding-Corticelli Limited

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

The Annual General Meeting of the Shareholders of Belding-Corticelli Limited will be held at the Head Office of the Company, 1455 Shearer Street, Montreal, on Wednesday, the 6th day of February, 1946, at 12 o'clock noon, for the reception of the Annual Report, the election of Directors, and for the transaction of such other business as may properly come before the meeting.

By Order of the Board,

D. F. POLLOCK,
Secretary.

### Belding-Corticelli Limited

**NOTICE OF COMMON STOCK EXTRA DIVIDEND**

An extra dividend of two per cent (2%) has been declared on the Common Stock of this Company, for the year ended November 30th, 1945.

The above dividend is payable on the 1st day of March, 1946, to Shareholders of record at the close of business the 31st day of January, 1946.

By Order of the Board,

D. F. POLLOCK,
Secretary.

### UNITED DISTILLERS OF CANADA LIMITED

**Notice of Dividend**

Notice is hereby given that a Dividend of 10c per share has been declared by the Directors of the United Distillers of Canada Limited, payable in Canadian funds, on January 22nd, 1946, to shareholders of record at the close of business on January 10th, 1946.

The Transfer Books will be closed from the 11th day of January, 1946, to the 25th day of January, 1946, both dates inclusive.

By Order of the Board,

A. L. McLENNAN,
Secretary.

Vancouver, B.C.,
January 7th, 1946.

**RALPH M. HUESTIS**

**more than 39 years with the National Life Assurance Co. of Canada, has been appointed assistant general manager.**

## COMPANY REPORTS

### Imperial Life

Life insurance and retirement annuities in force totaling $393.5 millions are shown in the annual report of the Imperial Life Assurance Co. for the year ended Dec. 31, 1945. Business issued during the year was $41.6 millions, a new high record.

Total assets at $128 millions show the biggest gain in the company's history, while total receipts and policy payments were also higher.

Of the new business for the year, 33.7% was on lives previously insured with the company.

During the year the company paid for $10.4 millions of Canadian Victory bonds, $886,000 U. S. war bonds and £32,000 British war loans.

Repayments on mortgage loans were high. Owing to large sales of real estate, the real estate owned at the year-end, apart from the home office building declined to $300,000.

Rate of interest earned on invested assets declined to 3.76%. Due to the downward trend of interest rates, the company's insurance reserves have been placed on a 3% basis or lower, with annuities on a 2½% interest basis. Of total 1945 death claims, 8.7% were war claims, the company having incurred 913 war claims since 1939, the actual loss being over $853,000. Important items in the report, with comparisons, follow:

| | 1945 | 1944 |
|---|---|---|
| Business in force | $393,487,972 | $366,204,246 |
| Business issued | 41,636,559 | 34,885,739 |
| Total receipts | 21,791,745 | 19,200,305 |
| Prem. inc. | 12,994,437 | 11,515,802 |
| Int. & divds. | 4,401,119 | 4,524,380 |
| Policy payments | 6,888,882 | 6,704,294 |
| Total assets | 128,533,655 | 119,643,576 |
| Bonds | 102,813,055 | 91,981,926 |
| Stocks | 4,249,337 | 4,341,690 |
| Mortgages | 6,899,3[illegible] | 7,477,375 |
| Policy loans | 8,187,233 | 8,538,941 |
| Policy reserves | 102,778,655 | 95,556,229 |
| Free surplus | 4,190,197 | 3,919,105 |
| Interest earned | 3.76% | 4.10% |

### National Life

A rise of $5.6 millions to $86.8 millions in insurance in force is shown in the report of the National Life Assurance Co. for the year ended Dec. 31. New business was $10.3 millions, against $11.1 millions in 1944.

Total income was $88,000 higher, receipts including a substantial profit from sale of securities and arrears of interest. These amounts were to a large extent used to strengthen special reserves. Premium income and interest and dividends received were also higher.

Rate of interest earned, 3.59% was lower than in the previous year. "This makes it imperative that we maintain a lower expense basis and we may also be required to adjust our rate structure again," president H. R. Bain stated. He also noted that the company's investment in Dominion bonds had been heavy but added that this program had now run its course and investment policy will now necessarily be altered to meet changing conditions.

Total assets were up over $1 million. Despite war claims general mortality for the year was favorable, General Manager G. Fay Davies declared. Comparative figures follow:

| | 1945 | 1944 |
|---|---|---|
| Business in force | $86,867,122 | $81,106,943 |
| Business issued | 10,348,187 | 11,173,000 |
| Total receipts | 2,990,299 | 2,902,282 |
| Prem. income | 1,999,353 | 1,873,349 |
| Int. & divds. | 679,287 | 651,621 |
| Policy payments | 1,164,828 | 1,068,957 |
| Total assets | 17,953,722 | 16,835,385 |
| Bonds | 12,004,434 | 11,237,971 |
| Stocks | 1,744,204 | 1,617,575 |
| Mortgages | 1,970,368 | 1,780,091 |
| Pol. loans | 1,104,365 | 1,163,469 |
| Policy reserves | 15,873,139 | 15,060,510 |
| Surplus | 641,885 | 546,188 |
| Int. earned | 3.59% | 3.82% |

## Three New Listings On Toronto Exchange

Shares of Anglo-Rouyn Mines, Richmac Gold Mines (1936) and Rush Lake Gold Mines have been approved for listing on the Toronto Stock Exchange, to be called for trading Jan. 18.

Richmac Gold controls a property adjoining the producing Cochenour Willans and McKenzie Red Lake mines, Red Lake area, Ont., while Anglo Rouyn's property adjoins the producing Powell Rouyn mine on the north in Rouyn area, Quebec. Rush Lake is working a property in the Opeepeesway area, Sudbury district, Ont.

## DIVIDEND NOTICES

### The John Bertram & Sons Co. Ltd.

**Dividend Notice**

Notice is hereby given that a dividend of Fifteen Cents (15c) per share, plus an extra Fifteen Cents (15c) per share has been declared on the outstanding common stock of this company, payable February 15th to shareholders of record January 31, 1946.

By Order of the Board,

J. W. McNAB,
Secretary.

Dundas, Ont., January 15, 1946.

### The Canadian Bank of Commerce

**Dividend No. 236**

Notice is hereby given that a dividend of fifteen cents per share, in Canadian funds, on the paid-up capital stock of this Bank has been declared for the quarter ending 31st January, 1946, and that the same will be payable at the Bank and its Branches on and after Friday, 1st February, 1946, to shareholders of record at the close of business on 31st December, 1945. The Transfer Books will not be closed.

By Order of the Board.

S. M. WEDD,
General Manager.

Toronto, 21st December, 1945.

**MARKET COMMENT**

## All Groups Rise

Utility and industrial averages ended this week at their highest levels since 1934 when records were first kept, papers were at their highest since 1937, golds and base metals since 1939, and western oils since 1940.

Chief bullish news of the week, and the year to date, was the increasing likelihood that the threatened widespread strikes in the steel and automobile industries would be avoided. Key power in the settlement issue, OPA has demonstrated in last-minute dealings that it would rather back down somewhat than see the nation plunged into a costly period of non-production. This has been interpreted by many investors as but "the handwriting on the wall" pointing inflationward.

Base metals scored their widest advance in more than a year as increasing numbers of investors became aware of tight world supply situation in most metals.

Some idea of the "broadness" of the present market is indicated by the fact that 138 industrial stocks this week touched new 1945-46 peaks.

* * *

**Wall Street Journal: Washington Dodge of Roberts & Co.** "To compare the stock market to mortal men is not to force an analogy, for the stock market represents the composite mind of many thousands of men. Proud, puffy markets, like that of 1929 can fall unexpectedly. But a characteristic of the present great inflationary bull market of 1941-19?? is a vast amount of caution. Two years ago it was 'invasion jitters.' Twelve months ago it was 'peace jitters.' As we go to press 'strike jitters' are jittering for all they're worth. But the banner still flies and the market's own behavior, to our way of thinking, remains the best clue to its future. All the above is perhaps a complicated way to say we have not changed our opinion on the state of the market."

* * *

### New Highs and Lows

During the week ended Jan. 14 there were 138 new highs recorded among the "general" stocks traded on Canadian stock exchanges and no new lows. In the mining group there were 59 new highs and five new lows. There were seven new highs and no new lows recorded by the oil stocks.

**GENERAL**

**New Highs—1945-46**

Acadia-Atlant. A
Agnew Surpass
Aluminum of Can.
Aluminium
Argus Warr.
Asbestos
Bank of Montreal
Bathurst Pwr.
Do. B
Beatty Bros. A
Do., B
Belding-Cort. pf.
Biltmore Hats
Blue Ribbon
Do., pref.
Blue Top Brew. B
Brant. Cordage
Brazilian Tr.
B. C. Packers
B. C. Pulp & P.
Brown Co.
Building Prod.
Burns & Co. A
Can. Bread
Can. Cement pref.
Can. & Dom. Sugar
Can. Malting
Can. Nor. Pwr.
Can. Packers A
Can. Permanent
Can. Steamships
Can. Bakeries
Can. Breweries
Can. Celanese
Can. Converters B
Can. Cottons
Can. For. Invest.
Can. Gen. Invest.
Can. Indust. B
Do., pref.
Can. Oil
Can. Pacific
Can. Pwr. & P. In.
Do., pref.
Can. Vickers
Do., pref.
Capital Estates
Catelli Food
Chem. Research
Conduits Nat.
Cons. Bakeries
Cons. Div. Sec.
Cons. Paper
Cons. Smelting
Cons. Glass
Crown Cork
David & Frer B
Davis Leather pref.
Distill-Seagram
Dom. Bridge
Dom. Bank
Dom. Fabrics
Dom. Dairies
Dom. Engineer
Dom. Magnesium
Dom. Malting pf.
Dom. Scot. Inv. pf.
Dom. Woollens
Dryden Paper
East. Steel
English Elec.
Equitable Life
Famous Players
Federal Grain
Do., pref.
Fraser Cos.
Gatineau Pwr.
Do., 5½% pref.
Goodyear Tire
Great Lakes P.
Do., pref.
Do., V.T. com.
Do., V.T. pref.
Gypsum Lime
Hayes Steel
Hinde & Dauch
Imperial Oil
Imp. Varnish
Inter'c Coal
Inter. Bronze
Int. Metal Ind. pf.
Int. Nickel
Int. Paper pf.
Int. Pete.
Int. Utilities
Jamaica Pub. Ser.
Labatt, John
Lake of Woods pf.
Lambert, Alf.
MacLaren Pwr.
McBrine
Melchers pref.
Mercury Mills
Minn. & Ont. Pap.
Mitchell, Robt.
Mont. Refrig. 1 pf.
Montreal Tele.
Moore Corp.
Do., pref. A
National Brew. c.
National Steel com.
Photo Engravers
Power Corp. com.
Powell River
Provincial Trans.
Quebec Power
Robertson, P. L., c.
Rolland Paper c.
Royal Bank
Shawinigan Pwr.
Sher.-Williams pf.
Simon pref.
Simpson A, new
Simpson pref.
So. Can. Power
St. Law. Corp. P. A
Standard Paving c.
Do., pref.
Stedman Bros.
Steel of Can. com.
Toronto Gen. Trust
United Corp. B
Twin City com.
United Steel com.
Walker's com.
Westeel
Wpg. Electric pf.
Zellers 6%

**MINING**

**New Highs—1945-46**

Bankfield
Base Metals
Coin Lake
Congress
Coniaurum
Delnite
Dentonia
East Amph.
East Mal.
Federal
Found Lake
Geo. Copper
God's Lake
Golconda
Golden Man.
Goldhawk
Graham Bosquet
Grandview
Gunnar Gold
Harker
Hasaga
Headway
Hedley Mascot
Hudson Bay
Inspiration
Jellicoe
Kirk. H. Bay
Labrador
Lake Shore
La Luz
Lapaska
MacDonald
Maralgo
Marcus Gold
Martin McN.
Mining Corp.
Mosher L.L.
McMarmac
New Calumet
Noranda
Normetals
Pacific Nickel
Pamour P.
Pend.-Oreille
Premier Border
Privateer
Prospectors
Quatsino
Quemont
Quebec Gold
Quebec Man.
Reno Gold
Reeves McDonald
Rice Lake
Sherritt G.
Siscoe
Stadacona New
Sudbury
Ymir Girl

**New Lows—1945-46**

Citralam M.
Elderidge
Found Lake
*Nib Y.K.
Paramaque

**OILS**

**New Highs—1945-46**

Dalhousie
Foothills
Mercury
Royal Can.
Royalite
S. West Pete.
Vulcan

**DOME MINES** reports bullion production of $431,042 from 46,500 tons of ore milled, averaging $9.27 gold per ton in December ($415,971 from 46,600 tons milled, average $8.83 in November).

## DIVIDEND NOTICES

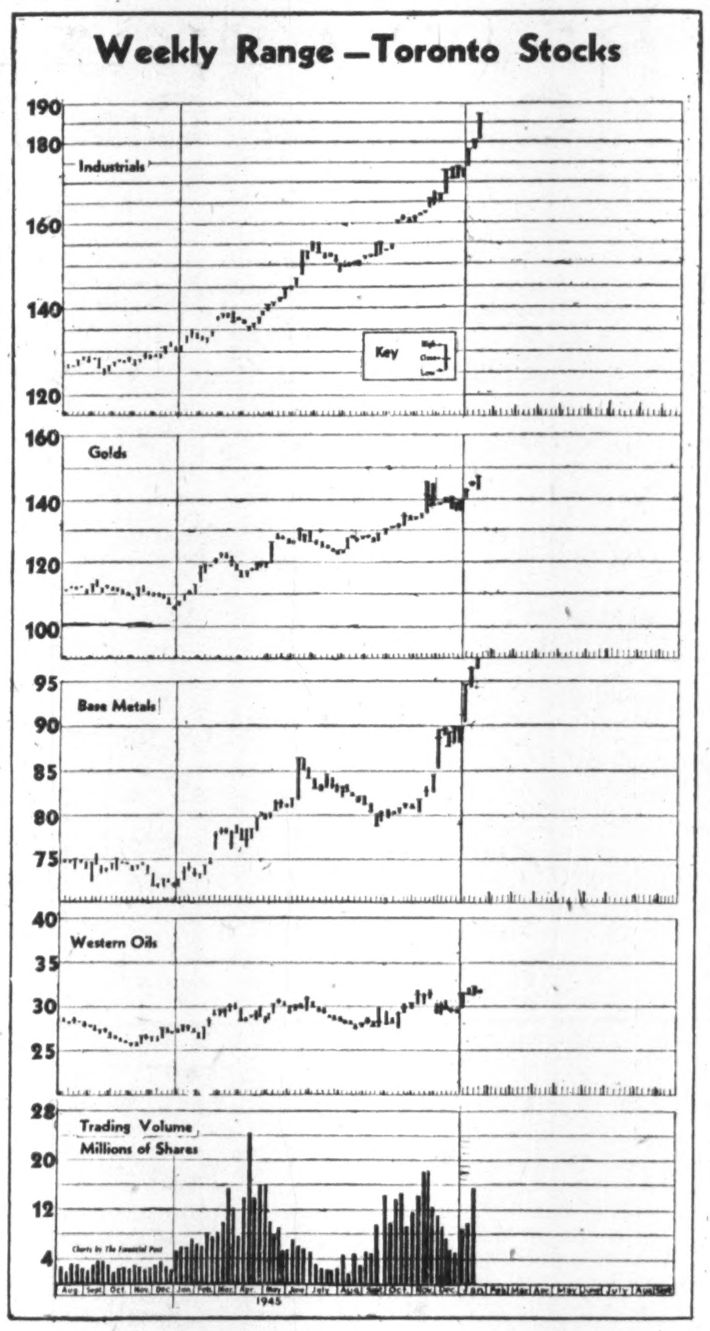
### LOBLAW GROCETERIAS CO. LIMITED

NOTICE is hereby given that a quarterly dividend of 25 cents per share on the Class "A" shares, and a quarterly dividend of 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending February 28th, 1946, payable on the 1st day of March, 1946, to shareholders of record at the close of business on the 5th day of February, 1946. The transfer books will not be closed. Payment will be made in Canadian Funds.

By order of the Board.

R. G. MEECH,
Secretary.

Toronto, January 10th, 1946.



## Forest Control

(Continued from page 13)

eration of cut-over lands.

(IV) A commission should be created and charged with the full responsibility for all forestry management during the conversion period.

The Report states the fire protection to be grossly inadequate, each Ranger having an area of 500,000 acres to supervise. The comparative U. S. figure is 22,000 acres. The Forest Service does not own a single airplane. For 100 million acres of resources there are three fire line ploughs, 11 bulldozers, 253 fire pumps and a number of small boats. The Government is considered to be generous in fire-fighting, niggardly in fire-prevention.

The Commissioner recommends a yearly expenditure of $1.5 millions now, to be increased to $2.5 millions. Funds would come from Forest Revenue, general Provincial revenues, Dominion grants, and lastly, if necessary, by increasing the fire protection tax on industry. In one instance—snag falling—figures show that Forest Service can do work more cheaply than industry.

The final comment on fires emphasizes that 15% to 20% of fires are caused by campers and only 2.6% by industry, including logging.

**Reforestation Demanded**

Cutting and re-planting appear bound together. Logging that doesn't plan replacements is a public enemy, it seems. No logging plan could meet all conditions but "the one basic principle that must be insisted upon, is that new growth shall follow the harvesting of old growth stands," the report states.

The Commissioner has several approaches to this. First, he would allow the operator to hold the land permanently. Then he would provide access to additional Crown lands; adjacent if possible. This should enable the operator to continue cutting while his own land regrows. The combined area, on second rotation, should produce enough timber for perpetual production.

Loggers, particularly in the interior are given some encouragement by one phase of the report. They have been reluctant to spend large sums opening up areas, only to have competitors out-bid them for neighbouring tracts. The Commissioner submits that the operator who has pioneered the area should have the adjacent area allocated to him at a fair price.

It is conceded by the Commissioner that the best information is not available at present. He urges a review ten years hence by another Commission.

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Municipal debt in Canada has been reduced substantially over the past ten years. New capital requirements are now being considered by many municipalities and our wide experience is available to municipal officers upon request.

Municipal officers and investors will be interested in an article entitled "Municipal Securities", prepared by our Municipal Department and reprinted from the Quarterly Review of Commerce, University of Western Ontario. Copies are available upon request.

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Stratford
Sudbury
Toronto
Valleyfield

Towns
Cornwall
Fort Erie
Goderich
Hespeler
Ingersoll
Kingsville
Leamington
Leaside
Midland
Mimico
Newmarket
Orillia
Paris
Renfrew
Thorold
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Weston

Villages
Forest Hill
Swansea

Counties
Brant
Middlesex
York

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Brandon School District
District of Coquitlam
Township of Etobicoke
Granby Protestant School District
Masson Roman Catholic School District
Township of Mersea
Township of North York
District of Saanich
Toronto Harbour Commissioners
Vancouver & Districts Joint Sewerage & Drainage Board
Township of Westminster
Township of York

## MUTUAL LIFE LEADER

RODNEY HULL

Mr. Rodney Hull, a representative of The Mutual Life of Canada in the Toronto-King St. Agency, has the distinction of having led the Company's entire field force in the sale of new life insurance in 1945. Mr. Hull has had an outstanding record since joining the sales staff of The Mutual Life in January, 1942. During each of the past three years he has qualified for membership in the Company's leading production Club.

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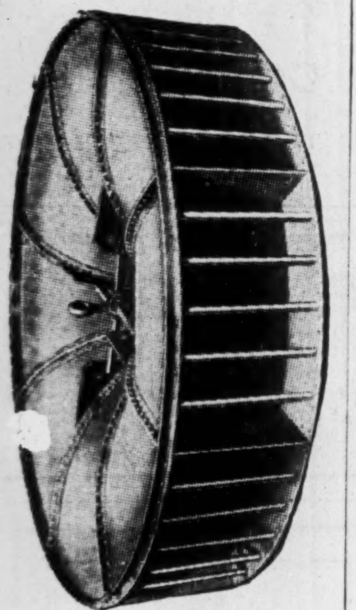

**WATER INTAKE**

This 20-foot diameter submerged Water Intake is illustrative of the many steel plate jobs fabricated by Toronto Iron Works for use in municipal and industrial water supply systems.

T.I.W. also manufactures steel plate pressure piping and water treating equipment, steel tanks and reservoirs, pressure vessels, etc.

To meet individual specifications, T.I.W. maintains up-to-date equipment for bending, rolling and shaping steel plate and alloys. Remember, if it's steel plate work you can depend on Toronto Iron Works . . . steel plate specialists since 1912.

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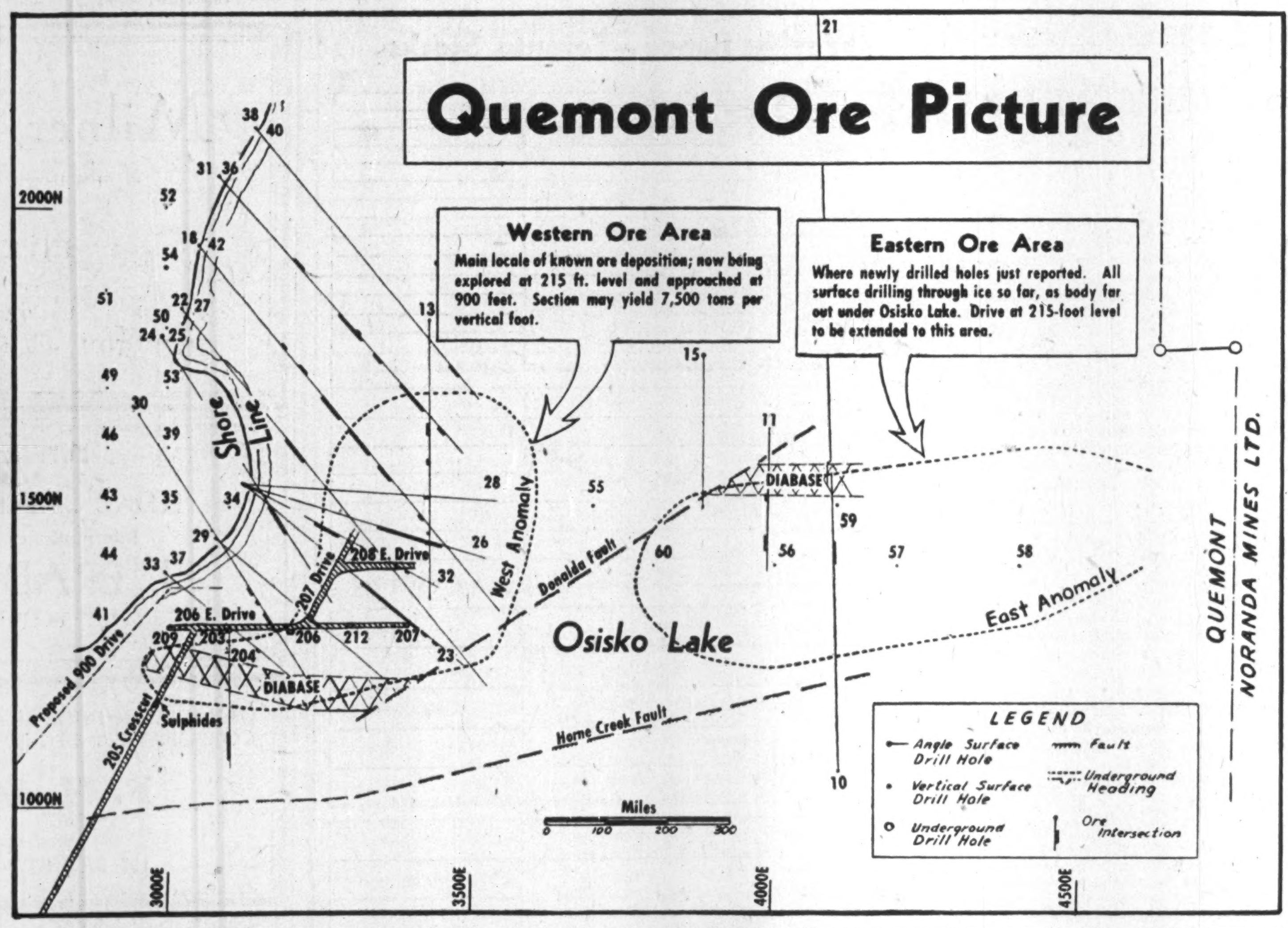

Quemont Ore Picture

Western Ore Area
Main locale of known ore deposition; now being explored at 215 ft. level and approached at 900 feet. Section may yield 7,500 tons per vertical foot.

Eastern Ore Area
Where newly drilled holes just reported. All surface drilling through ice so far, as body far out under Osisko Lake. Drive at 215-foot level to be extended to this area.

# Quemont Gets Ore in 14 Holes in Three Places Drilling From 215 Level Proves Up West Body

Fourteen further holes showing ore values have been secured by Quemont Mining Corp. of which six holes have been completed from the 215-ft. level workings now extending over the southern part of the west ore body, The Financial Post can report.

Altogether recent drilling has provided ore news on three fronts.

1. It has tended to confirm the previously held theory that the large western ore area is flat-lying—and has also shown ore extending up as high as the 215-ft. level.

2. It has rather unexpectedly returned ore grade intersections in three of a number of vertical holes put down on the shore to select a shaft site.

3. It has returned impressive lengths of 252 and 378½ ft. carrying gold-silver-copper-zinc values in two holes in the east anomaly area suggesting possibilities there may be greater than earlier anticipated.

So far the 900-ft. level workings have not reached the ore area indicated by surface drilling. But recently massive sulphides with some sphalerite and chalcopyrite, were cut at a point roughly 400 ft. southwest of the point sulphides were cut in the 205 crosscut as marked on the map.

### Satisfied With Progress

The management is well satisfied with progress made on the 215-ft. level where the plan is to put out crosscuts east and west at 100 ft. from the 207 drive (see map) and to drill vertical drill holes downwards at regular intervals along all crosscuts. The whole west area is to be tested by a regular pattern of drill holes.

Drill hole No. 203—drilled vertically from the 215-ft. level as shown—returned 30 ft. of ore starting 134 ft. below the level which averaged 0.24 oz. gold, 2.20 oz. silver, 1.14% copper and 2.21% zinc. Starting at 189 ft., a further thickness of 16 ft. averaged 0.17 oz. gold, 0.32 oz. silver, 1.65% copper and 0.56% zinc.

Drill hole No. 204, south at 40 degrees from close to the same location as hole No. 203, cut the extension of the sulphide zone found in the 205 crosscut and 58 ft. averaged 0.13 oz. gold, 2.28 oz. silver, 0.79% copper and 0.93% zinc. This is the first hole drilled south of the diabase dyke here and further outlining of this ore is needed.

After drilling No. 205 ahead of the 215 drive as a precaution against water, No. 206 was put down vertically. Mineralization extended from 18 to 200 ft. From 128 to 178 ft., 50 ft. averaged 0.32 oz. gold, 1.16 oz. silver, 1.27% copper and 1.67% zinc.

### Three Flat Holes In Ore

Holes Nos. 207, 210 and 211 were all horizontal holes drilled ahead of drives as a precaution against water. Each returned an ore intersection. No. 207 drilled east as a pilot hole ahead of 206E drive showed 82.5 ft. averaging 0.15 oz. gold, 1.43 oz. silver, 0.39% copper and 11.03% zinc.

No. 210, drilled east ahead of 208E drive gave 59 ft. averaging 0.128 oz. gold, 0.66 oz. silver, 0.44% copper and 7.74% zinc.

No. 211, a pilot hole to the east ahead of 207 drive, gave two sections: 14.6 ft. averaging 0.167 oz. gold, 0.428 oz. silver, 1.49% copper and 0.45% zinc; and 11 ft. averaging 0.14 oz. gold, 0.48 oz. silver, 1.79% copper and 0.17% zinc.

Hole No. 208 was drilled vertically upward as a precaution against water.

No. 209, drilled vertically down, gave over 45 ft. of massive pyrite and pyrrhotite and slight chalcopyrite but complete assays are not available.

No. 212, a vertical hole, gave over 62 ft. of massive sulphides, chiefly pyrite, pyrrhotite with fair chalcopyrite, and in addition, considerable disseminated mineralization. The hole is not finished.

Since the 900-ft. level heading has not yet reached its objective drilling has been limited. An initial drill hole shows a 10-ft. chloritic section for which assays are not available. A second hole served to guide the drive. A third hole to the west cut massive sulphides which did not make ore.

A number of surface drill holes put down to test the proposed shaft site and outlying anomalies didn't show anything in the nature of ore; others did. The blank ones included holes Nos. 39, 40, 41, 44, 45, 46, 47, 48, and 51.

Surface drill hole No. 42, on the shore, showed two sections: 16 ft. of 0.08 oz. gold, 2.01% copper and 22 ft. averaging 0.07 oz. gold and 3.25% copper.

### Three Good Ones In Shaft Area

Surface holes Nos. 43, 49 and 53 all returned ore grade intersections in vicinity of the proposed shaft. No. 43 gave 12 ft. around the 700-ft. horizon averaging 0.25 oz. gold and no copper.

No. 49 showed 16.5 ft. averaging 0.095 oz. gold and 3.59% copper and 19 ft. running 0.13 oz. gold and 3.11% copper. No. 53 gave 9 ft. averaging 0.01 oz. gold and 3.51% copper and 39 ft. averaging 0.11 oz. gold and 1.39% copper.

No. 50, a vertical hole on the shore of Osisko Lake gave 56.4 ft. averaging 0.19 oz. gold and 2.23% copper.

A 4-ft. section in hole No. 52 gave 0.18 oz. gold and 3.31% copper. No. 54 hole will be finished later.

### Nos. 55 to 60 From Ice to East

Holes Nos. 55 to 60, inclusive, are all holes drilled vertically from the ice of Osisko Lake close to or in the area of the east anomaly. Hole No. 55 has not been completed yet but has intersected a feldspar porphyry dyke at a level where ore might be expected. The same dyke is believed to have been intersected previously in two holes to the southwest in the region of ore.

No. 56 was stopped at 700 ft. in diabase. It shows a 137-ft. section starting at 80 ft. averaging 0.235 oz. gold, 1.60 oz. silver, 2.91% copper and 1.72% zinc. Starting at 290 ft., a section 105 ft. long in the hole averages 0.058 oz. gold, 0.36 oz. silver, 1.11% copper and 0.87% zinc. At 424 ft., a length of 34½ ft. averaged 0.169 oz. gold, 0.53 oz. silver, 1.57% copper and 0.78% zinc. Including the above, a length of 378.5 ft., starting at 80 ft., averaged 0.13 oz. gold, 0.83 oz. silver, 1.73% copper and 1.18% zinc.

Hole No. 57, still not completed, looks like another fair hole in the east anomaly area. One core length of 252 ft. averages 0.08 oz. gold, 0.66 oz. silver, 1.06% copper and 3.63% zinc. A further length of 34.6 ft. runs 0.095 oz. gold, 0.63 oz. silver, 1.34% copper and 3.50% zinc.

Over 85 ft. of sulphides with some chalcopyrite are showing in hole No. 59 but complete assays have not yet been received. No. 60 hole started off in diabase and stopped at 244 ft. Casing has not yet reached ledge on hole No. 58. The same holds true of holes Nos. 62 and 63.

Hole No. 61, 100 ft. west of No. 56, has cut massive pyrrhotite and pyrite with some chalcopyrite and sphalerite.

Seven drills are now in operation, six working from the surface of the ice and one underground. A further drill will be put to work on the ice and another one underground. Further news from drilling can be expected at regular intervals, the company reports, dependent on speed of drilling and assaying.

# WHAT'S NEW IN BUSINESS

**Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.**

***Rotascope***
is an instrument which makes a rotating object appear to be standing still. Canadian General Electric Co. states it was developed so that engineers could study airplane propellers under actual operating conditions. It is stated that this is the first instrument of its kind allowing continuous viewing of a rotating object at any point in its path of travel. Blades of electric fans or propellers can be studied while whirling from lowest speeds up to 2,000 revolutions a minute. By untwisting light before it reaches person viewing the rotating object, the "rotascope" eliminates the rotary motion, but shows up any flutter or vibration. In industry the instrument can be used to study objects with angular motion, as well as circular.

* * *

***Public Works***
backlog is welling over and some in the construction industry may be expecting also a limited release from Ottawa's shelf of "timed" projects to bolster employment while reconversion lags. That public works contractors at any rate are preparing for some busy bidding on new work may be one indication of incomplete but reliable reports pointing to recent unobtrusive changes in ownership of one or two of the larger ones.

* * *

***Tariff Reductions***
on two items affecting Canadian manufacturers have been announced by the Department of National Revenue. "Forward drive control conversion assemblies" will be duty free from both Britain and the United States, with a 20% general tariff remaining on imports from other countries. The assemblies were formerly free under British preference, 25% from U. S. and 35% from others. The same tariff applies to metal stampings and assemblies used in connection with the forward drive equipment and the proviso is made that all such imports must be for use only in the manufacture of truck bodies. Forward drive conversion assemblies are described as a system of machinery which is used in constructing delivery trucks (milk wagons) driven by a standing operator, with all controls at the extreme front of the vehicle. Second announced change concerns uncoated, single ply fibreboard in rolls containing 500 sq. ft. or more if imported for inner soles, welting and similar material. Tariff rates on imports from U. S. have been cut from 22½% to 10%, which will mean a drop of about 1c. a lb. in the laid-down cost of the paper to Canadian manufacturers.

* * *

***Frigid Dough***
is the name given to pastry which is frozen instead of baked. Made by Frigid-Dough Inc., Chicago, Ill., such items as Clover leaf rolls, pies, breakfast rolls, angel food cake and blueberry tarts, are fast-frozen in the bakeshop. Housewives need only put Frigid-Dough products in the oven and bake. Headed by E. Gordon Male, Frigid-Dough Inc. has started on an expansion program to get more retail outlets. The Financial Post learns that application has been made to have the Frigid-Dough trademark registered in Canada. Also it is understood certain Toronto foodmen are interested in the process.

* * *

***Shoe Production***
in Canada in 1946 will amount to approximately 40 million pairs, manufacturers say. This will equal three pairs per capita as compared with 1939's production figure of 22 million pairs representing approximately two pairs per capita. Big question—how long will Canadians be able to absorb war-increased capacity of shoe industry after such abnormal items as demands of returnng veterans and UNRRA are met.

* * *

***New Tenant***
for the former war plant at Long Branch, Ont., is Snap-on Tools of Can. which has leased 26,700 sq. ft. of the Small Arms factory, according to Joseph Johnson, president. First rental contract between the company and War Assets Corp. is for five years with company contracting to employ 45 persons within six weeks after lease starts. Snap-on Tools of Can. was first formed in 1931 has had until now general offices and central distribution point at Windsor, Ont. Head office of the company, which manufactures 3,500 different types of tools, including mechanics' hand tools, sockets for pneumatic drills, will be moved to Long Branch. Agencies at key points across Canada will get first of the tools from the new factory about March. Up to the present all manufacturing was done at plants of the parent company, Snap-On Tool Corp., Kenosha, Wis.

* * *

***Visible Speech***
is the name of the instrument which translates spoken words into symbols which can be read by totally deaf persons. At a recent demonstration at Bell Telephone Laboratories two women trained in "Visible Speech" carried on a conversation without hearing a sound. Immediate use of the new device is in teaching deaf persons to talk. "Visible Speech" takes sound waves apart and translates them into sound symbols cast on a luminous screen. Symbols represent pitch, loudness, time and tonal quality. Deaf children will be taught to talk by having a student compare symbols made by his own words with those of the teacher. Training is required to learn the new vocabulary, but one man who had practiced lip reading, learned the symbols in 10 months, it is stated. Bell Telephone Co. expects more detailed information on "Visible Speech" soon.

* * *

***Exposure Meter***
to measure light and give amateur and commercial accurate camera exposures for taking pictures or making darkroom enlargements are again for sale in Canada, Canadian General Electric Co. announces. Termed an improvement on pre-war models, the meter is 22% lighter and is housed in a dust-proof and moistureproof case. Inner surface of the hood, through which light enters, does not reflect light, it is stated, thus making light measurements more accurate. The meter retails for $29.

* * *

***Oil Burners***
equipped with the new type combustion head developed at Shell Oil Co's Sewaren, N.J., laboratory will use 20% less fuel, the Canadian company announces. Manufacturers of oil burners can incorporate the combustion head in their new burner units under a patent license from the Shell Co. The new combustion heads may also be adapted to burners already installed. Big saving in fuel is brought about by reducing the amount of unburned fuel which escapes through the flue. Cold air intake which cools combustion chamber and cuts down burning efficiency is reduced by a more thorough mixture of oil and air. Combustion head can be used for all gun type burners. Canadian oil burner manufacturers are investigating the development.

# Marcus Price Doubles On News of Rich Hole

First news on what is apparently a rich drill hole strike at the property of Marcus Gold Mines, lying between Cochenour Willans and Campbell Red Lake, caused a major market move in Marcus shares over last week end.

After an initial increase from around the $1 mark to $1.35 a share on Friday, the stock traded over $2 mark on Monday. A heavy volume of shares went through. Trading of shares on both Saturday and Sunday is reported with stock changing hands at as high as $1.95 on these days the exchange was closed.

Little official word, however, was available on the strike. A wire from the property, however, stated a very rich hole had been cut on the north claim and it was indicated that assays would run in ounces. It was not thought in Toronto that assaying would be completed until possibly Monday.

Hectic trading in the stock was accompanied by a number of reports as to values secured which lacked confirmation. One report was that the hole showed 6 oz. over 8 ft. while other reports, also without confirmation, claimed the value was even higher.

Toronto officials believe that the drill hole was probably pulled on the claim immediately south of the Kaymac property and in the part of the Marcus ground which lies to the east of five other claims, three of which are owned by Ed. Cochenour and two by Kaymac.

This would make the Marcus showings north of anything secured by Cochenour Willans and would open possibilities for ground north of Campbell and Dickenson. However, strike of the new ore is not reported.

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# CANADA CEMENT COMPANY LIMITED

AND SUBSIDIARY COMPANIES

## Annual Report of the Board of Directors

TO THE SHAREHOLDERS:

Your Directors beg to present herewith the Eighteenth Annual Statement of the affairs and financial position of your Company as at November 30, 1945.

Net Earnings, after providing for depreciation and income and excess profits taxes, amounted to $1,080,146.11 as compared with $828,115.66 in the preceding year. Earnings amounted to $5.37 per share on the 6½% Preference Stock. (If the rate of excess profits tax as adopted in the recent Budget had been in effect during the year under review, the 6½% Preference dividend would have been earned by a small margin.) Preference dividends were paid during the year at the rate of $5.00 per share.

Volume of business on the whole was quite substantial. While there was no large construction work under way, there was a great deal of building repairs, house building, etc., which kept up a steady demand for cement throughout the building season. The volume was 15½% higher than in the previous year.

The financial position of your Company remains satisfactory. The inventory of finished material was reduced quite materially during the year with a consequent increase in cash which shows a larger total than usual. This situation, however, will be reversed during the winter months; the cash will be required to again build up our stocks of cement.

During the war years your manufacturing plants have not had the usual maintenance on account of lack of materials and scarcity of labour. There has been, therefore, a large volume of delayed maintenance built up. Your Directors have authorized for the coming year a programme of replacements, repairs and renewals to plant and equipment amounting to $3,300,000.00. The fulfillment of this programme in 1946 depends very largely on your Company's ability to get the materials needed for such a programme.

Production costs continue to be high with very little hope of any reduction. The situation in regard to the supply of coal for the manufacture of cement remains difficult and this may prove to be quite a serious factor for some time to come in connection with plant operations.

The prospects for building activity in the coming season are very good and it is not too much to expect that the demand for cement will equal 1945 and perhaps be something in excess of the year just closed.

Respectfully submitted on behalf of the Board of Directors.

J. D. JOHNSON,
President.

### CONSOLIDATED BALANCE SHEET, NOVEMBER 30, 1945

#### ASSETS

| | | | |
|---|---|---|---|
| **CURRENT ASSETS:** | | | |
| Inventories of Cement, Materials and Supplies as determined and certified by the Management and valued at or below cost, which is below market | | $ 2,139,988.87 | |
| Accounts Receivable (less Bad Debts Reserve)— | | | |
| Customers' Accounts | $ 777,646.61 | | |
| Other Accounts | $ 56,348.71 | 833,995.32 | |
| Government Bonds (Market Value $ 4,278,668.75) | | 4,199,807.85 | |
| Cash | | 2,063,522.94 | $ 9,237,314.98 |
| **INVESTMENT IN COMPANY'S OWN BONDS, at par** | | | 108,500.00 |
| **REFUNDABLE PORTION OF EXCESS PROFITS TAX** | | | 330,271.10 |
| **UNEXPIRED INSURANCE, PREPAID TAXES AND OTHER PREPAID EXPENSES** | | | 69,650.49 |
| **BOND REFUNDING EXPENSE** (less amounts written off) | | | 660,000.00 |
| **PROPERTY ACCOUNT:** | | | |
| Land, Buildings, Plant and Equipment, etc., (as appraised by Messrs. Ford, Bacon & Davis, Inc. on the basis of commercial value at September 30, 1927, $38,267,500.00) and the Canada Cement Building at cost; with subsequent additions at cost and after deducting Depreciation Reserves of $26,624,702.81 | | | 31,387,229.52 |
| | | | $41,792,966.04 |

#### LIABILITIES

| | | |
|---|---|---|
| **CURRENT LIABILITIES:** | | |
| Accounts Payable | $ 556,063.37 | |
| Bond Interest Accrued | 30,104.20 | |
| Preference Dividend declared of $1.25 per share, payable December 20, 1945 | 251,086.25 | |
| Government and other Taxes | 191,855.29 | $ 1,029,109.11 |
| **FIRST MORTGAGE BONDS:** | | |
| Authorized | $20,000,000.00 | |
| Issued Series "A" | $16,500,000.00 | |
| Outstanding— | | |
| 4¼% Sinking Fund Bonds due 1951 | $10,500,000.00 | |
| Less: Redeemed to date (of which $500,000.00 were redeemed during year) | 2,000,000.00 | 8,500,000.00 |
| **MORTGAGE ON CANADA CEMENT BUILDING:** | | |
| Repayable in semi-annual instalments and balance due in 1948 | | 345,000.00 |
| **RESERVES:** | | |
| Fire Insurance | $ 750,000.00 | |
| Extraordinary Repairs and Renewals | 350,000.00 | |
| Industrial Accidents | 56,800.00 | |
| Contingent | 400,000.00 | 1,556,800.00 |
| **PREFERENCE SHARES REDEMPTION RESERVE** | | 55,900.00 |
| **PREFERENCE SHARES—6½% SINKING FUND CUMULATIVE SHARES OF $100.00 EACH, REDEEMABLE ON SIXTY DAYS' NOTICE:** | | |
| Authorized (of which $21,000,000.00 have been issued) | $25,000,000.00 | |
| Outstanding | | 20,086,900.00 |
| NOTE: Dividends are in arrears $40.25 per share. | | |
| **COMMON SHARES:** | | |
| 600,000 Shares of No Par Value out of an authorized issue of 750,000 Shares | | 6,403,904.75 |
| **EARNED SURPLUS:** | | |
| As per statement attached | $ 3,485,081.08 | |
| **DEFERRED SURPLUS:** | | |
| Refundable portion of Excess Profits Tax | 330,271.10 | 3,815,352.18 |
| | | $41,792,966.04 |

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS FOR THE YEAR ENDING NOVEMBER 30, 1945

| | | |
|---|---|---|
| Profit from Operations after providing $1,615,000.00 for Depreciation, but before deducting the undernoted items | | $ 3,403,301.60 |
| Executive Remuneration | $ 92,466.65 | |
| Directors' Fees | 10,680.00 | |
| Legal Expenses | 405.00 | 103,551.65 |
| | | $ 3,299,749.95 |
| Add: Income from Investments | | 72,473.35 |
| | | $ 3,372,223.30 |
| Deduct: | | |
| Bond Interest (net) | $ 872,740.35 | |
| Mortgage Interest | 15,300.00 | |
| Contribution to Pension Fund | 100,000.00 | |
| Proportion of Bond Refunding Expense | 110,000.00 | |
| Premium and Expenses on Bonds redeemed during year | 9,036.84 | |
| Provision for Income and Excess Profits Taxes (of which the Refundable Portion of Excess Profits Tax is $171,000.00) | 1,185,000.00 | 2,292,077.19 |
| Net Profit, after Income and Excess Profits Taxes | | $ 1,080,146.11 |
| Earned Surplus, November 30, 1944 | | 3,409,279.97 |
| | | $ 4,489,426.08 |
| Deduct: Dividends on Preference Shares at $5.00 per share | | 1,004,345.00 |
| Earned Surplus, November 30, 1945 | | $ 3,485,081.08 |

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Canada Cement Company Limited and its Subsidiary Companies for the year ending November 30, 1945, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of Canada Cement Company Limited and its Subsidiary Companies at November 30, 1945, and that the Statement of Profit and Loss correctly sets forth the result of their combined operations, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO., Auditors.
Montreal, December 20, 1945.

Approved on behalf of the Board:
J. D. JOHNSON, Director.
F. B. KILBOURN, Director.

## Grain Prices

### Winnipeg Grain Futures

Week to Jan. 15, 1946

| Crop year from Aug. 1, 1945 High | Low | | High for week | Low for week | Close Jan. 15 |
|---|---|---|---|---|---|
| | | Oats* | | | |
| .51½ | .51½ | May | .51½ | .51½ | .51½ |
| | | Barley* | | | |
| .64¾ | .64¾ | May | .64¾ | .64¾ | .64¾ |
| | | Rye | | | |
| 2.04¼ | 1.34⅞ | May | 2.04¼ | 1.95⅜ | 2.03½ |
| 1.95⅝ | 1.49¼ | July | 1.95⅝ | 1.86½ | 1.93⅜ |
| 1.80⅛ | 1.59½ | Oct. | 1.80⅛ | 1.67⅜ | 1.79⅛ |

*At ceiling.

### Cash Quotations

| | For Week Jan. 15 High | Low | Prev. Week High | Low |
|---|---|---|---|---|
| Oats* | | | | |
| 2 C. W. | .51½ | .51½ | .51½ | .51½ |
| 3 C. W. | .51½ | .51½ | .51½ | .51½ |
| Barley* | | | | |
| 1 Feed | .64¾ | .64¾ | .64¾ | .64¾ |
| 2 Feed | .64¾ | .64¾ | .64¾ | .64¾ |
| Rye | | | | |
| 2 C. W. | 2.03½ | 1.97 | 1.96½ | 1.90 |

*At ceiling.

**WAR ASSETS CORP.** reports Canadian surplus war disposals to date have realized $60,746,877, including $51,239,750 realized in the nine months of the fiscal year, April to December, inclusive, in 1945, and $9,507,127 for disposal during the 11½ months from beginning of operations in April, 1944, to close of the fiscal year, March 31, 1945. December sales totalled $10,155,222, largest monthly total.

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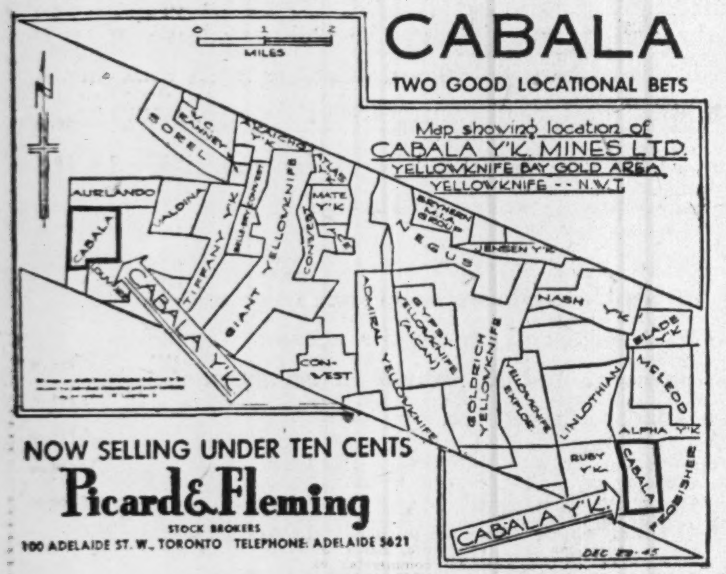

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# Normetal Earnings Show Betterment More Power & Smelter May Lie Ahead

By GORDON M. GRANT

With operating profits for 1945's second half comparable to the first half's $290,000, Normetal Mining Corp. 1945 over-all net profit should show a substantial increase since deferred development write-off has dwindled to the vanishing point.

Besides increased earnings, the following features are noted:

1. The Normetal mine has been responding strongly with new ore at depth.
2. Working capital has apparently moved up to well over $2 millions (capital expenditures were nominal in 1945).
3. Management has been looking into new means by which profits can be increased.

Two chief ways earnings might be increased substantially are already envisaged. They are:

(a) **Bringing in of electric power.** This would provide the twofold advantages of elimination of high cost Diesel power and of permitting the company to mill at capacity of 780 tons daily.

(b) **Possible erection of a copper smelter.** Built jointly with Quemont Mining Corp., a smelter might secure a substantial saving over existing treatment costs for copper concentrates.

Normetal has a full crew today and treatment of a capacity tonnage—with more power—would make a great difference. In the first half of 1945 only 556 tons of ore were milled daily so that hydro power would permit an increase of 40% in tonnage of ore milled.

Increase in earnings might be over 40% as Diesel power, used in the wintertime when La Sarre Power Co. water supply runs short, is admittedly high cost.

Late last year, Premier Duplessis announced construction of a new dam at Lake Dozois in northern Quebec for the purpose of supplying cheap electric power for the mining industry. Normetal was singled out as a property to which the Abitibi-Temiscamingue hydro facilities could be extended. A 65-70 mile line from Rouyn would bring in the power.

### No Smelter Decision Yet

No decision has yet been made concerning a copper smelter nor is any likely until Quemont work is further advanced. But the managements of both companies (which are almost identical) have been going into the situation thoroughly. If the advantages are great enough, one will be built.

Physical position of the Normetal mine is much better than a year ago. The 2,600-ft. level was the best in the mine down to that depth, it will be recalled. Work on the 2,750-ft. level and the 3,200-ft. level (now the mine's deepest) has revealed these two levels to be comparable to the 2,600 horizon. Almost as much drifting has now been completed at the 3,200-ft. level as on the 2,600-ft. level and the drift is still in ore going east. At the 2,600-ft. horizon, 1,025 ft. of ore averaged 3.58% copper and 5.54% zinc over 18.4 ft.

Mining has been chiefly above the 1,500-ft. level so far, it is understood.

### See Increase in Reserves

Ore reserves as at Feb. 15, 1945, were 1,330,800 tons averaging 3.56% copper and 6.77% zinc plus 0.032 oz. gold and 2.39 oz. silver (five years' supply at capacity) allowing for only a part of the ore between 2,600 and 2,750 ft. and including no ore for below the 2,750-ft. horizon.

To what extent developments at the 3,200-ft. horizon will be reflected in ore reserves for this year has not yet been decided. But whether or not new deep ore is included in 1945 reserve figures, there appears little question but what a substantial increase in reserves will result.

One of the reasons why Normetal hasn't initiated dividends before this has been uncertainty regarding metal marketing. At one time there was some thought that dividends would be started when earnings reached $1.5 millions. Uncertainties over metal marketing are much less today than six months ago, however, and from this standpoint, outlook for early dividends would seem better. Normetal participated in the recent sale of copper to the United Kingdom and all zinc concentrates are sold right through to the end of 1946. With sale of base metals turning more and more into a "sellers' market," uncertainty surrounding metal disposal is becoming largely a thing of the past. And hopes of Normetal shareholders for early dividends would appear just that much brighter.

# See Price Rise On Base Metals

### U. S. Journal Quotes Officials as Expecting Higher Prices

According to the U. S. "Engineering & Mining Journal," a survey of opinion of officials in the United States supports the view that there may be an increase in the present price of 12 cents a pound (13.5 cents a pound, Canadian funds) for copper.

Opinion also supported the view that more could be expected for lead while diverging views were expressed about zinc.

Here is what the E. M. & J. publication has to say:

"The question of what would happen to the prices of copper, lead and zinc if ceiling prices were removed has been a subject of much Washington speculation. The opinion of most Government officials falls into a definite pattern.

"The general feeling regarding the price of copper is that it will find its level somewhere between 14 cents and 15 cents a pound (U. S. funds). The most popular figure is 14¼ cents, a rise of 1¾ cents above the present ceiling.

"There is no such hair splitting in the opinions regarding the probable movement of lead prices in a free market. Agreement could be found on only one point—that the price would rise. Most of the metal men questioned believed that the price of lead would become stable above the price of zinc."

The price of zinc is expected by most officials to sag slightly if price ceilings should be removed. It is contended that the ceilings on zinc have actually tended to hold the price up in a sensitive market rather than to hold the price down. There are some, however, who believe the price would remain firm at the present price ceilings and might even advance somewhat, presuming that the premium-quota plan is slated for abandonment.

## MINING CONCENTRATES

**ADNARON COPPER CORP.** has signed a contract with Koulomzine, Geoffroy and Brossard to conduct a geophysical survey on its Beauchastel twp., Que., property. Earlier a diamond drilling program was carried out north and west of the mineralized "A" zone with hole No. 41 yielding 15 ft. of core averaging $10.55 from 785 to 800-ft. depth. Other borings to the south are reported to have returned some copper values. An underwriting and option agreement with Federal Trading and Agency Co. provides a firm commitment of $25,000. Option on treasury shares will provide $700,000, if exercised.

* * *

**CENTRAL PATRICIA GOLD MINES** reports bullion production of $289,180 from 23,803 tons milled, an average recovery of $12.15 gold a ton in three months ended Dec. 31. Output was $237,030 from 20,731 tons milled, an average of $11.34 a ton in three months ended Sept. 30.

* * *

**CATHROY LARDER MINES** says that hole No. 49, drilled 90 ft. north of No. 48, intersected three core sections as follows: 10 ft. of core assaying $10.15 from 170 to 180 ft.; 5 ft. of core assaying $4.20 from footage 407 to 412 and 17 ft. of core assaying $16.45 from 425 to 442 ft. The 17 ft. of core is not regarded as true width, due to the vein cutting at a sharp angle. The hole is expected to be completed within a few days. The shaft was dewatered some months ago and a mucking machine, now on the property, is expected to speed up development.

* * *

**GOLDCREST MINES** reports the purchase of a heavy drill capable of going to depth of 1,700 ft., which is expected to be in operation within a few days on its Indian Lake property. The management reports sufficient gasoline and supplies available to run until late February when a tractor train is due to arrive with supplies

* * *

**INTERNATIONAL NICKEL CO., INC.** reports a new welding electrode plant at Bayonne, N.J. Seven types of electrodes for arc welding of nickel and nickel alloys are being produced and development of a new electrode, Ni-Rod, for making machinable welds in iron cast, is announced. Another new product, produced at the company's Huntington Works is the ac-dc "132" welding rod for Inconel.

* * *

**MANITOBA CHAMBER OF MINES** elected Walter J. Macdonald as president for 1945-46; J. D. McDonald, (a past president), vice-president and F. J. Manning, honorary treasurer (for the ninth consecutive year). The secretary, J. P. deWet, was reappointed. Honorary officers are Hon. J. S. McDiarmid and W. A. Green. A life honorary membership was conferred on G. E. Cole, formerly of the Manitoba Department of Mines and Natural Resources.

* * *

**MOHAWK PORCUPINE GOLD MINES** reports plans completed to drill the south part of its 360 acres adjoining Bonetal on the west. Previous work was concentrated on the north section.

* * *

**NEW CALUMET MINES** has contracted for sale of all its zinc concentrates in 1946 at $2 per ton higher than price obtained for the last quarter of 1945. A contract has also been signed to cover lead output for first three months of this year.

* * *

**OMNITRANS EXPLORATION** reports that exploration of property in Opawica Lake district, Que., has supplied sufficient information on four shear zones to warrant diamond drilling. The zones are reported well defined, strike approximately east-west, and show iron pyrite mineralization.

* * *

**THORN HILL GOLD MINES** advises that drill hole No. 25, put down in the northwest section of the property, returned free gold from 454 to 463.2 ft. The company holds approximately 450 acres adjoining Elder Gold Mines and Dupresnoy Mines in Abitibi Co., Que. Officers and directors are C. B. Ridley, president; K. H. Cameron, vice-president; S. E. Guile, G. A. Corbett, W. E. Dempster. O. Shovell is secretary-treasurer.

# Arntfield Cuts Wide Section In Drilling Below 1,075 Ft.

An intersection of $8.85 over a true width of 18 ft. has been secured by Arntfield Mining Corp. in a drill hole below its 1,075-ft. or bottom level, President R. V. Arntfield reports.

The new intersections, in hole No. 782 just completed, is 170 ft. vertically below the 1,075-ft. level or approximately 300 ft. down the dip of the vein, it is stated. Individual assays are reported as follows: 4.3 ft.—$18.48; 2.2 ft.—$6.54; 2.9 ft.—$14.46; 4.7 ft.—$6.16; and 3.1 ft.—$5.01.

This particular hole was the fifth in the current series being put down below 1,075 ft. and President Arntfield reports that wherever the ore has been cut, it has shown equal grade or better.

Two new levels are to be opened during 1946 and the latest ore intersections will be tested in this work.

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**PACALTA OILS CO.** advises that J. H. Gilbert, Toronto, has underwritten 100,000 shares at seven cents a share, payable immediately, and optioned 100,000-share blocks at 7, 8, 10, 12, 15, 20 and 25 cents a share. On issue of underwritten shares the issued capital will be 1,750,005 shares.

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*This Interim Report is published for the benefit of unregistered East Sullivan Mines shareholders*

# EAST SULLIVAN MINES Limited

NO PERSONAL LIABILITY

Since its incorporation on May 25, 1944, progress of the Company has been attended by excellent diamond drilling results and your directors have deemed it advisable to submit an Interim Report summarizing the development to date, what is planned for the future and to present also the financial position of the Company.

From incorporation your Company has received $475,000.00 from the sale of 500,000 shares of its capital stock, and there remains on option to Sullivan Consolidated Mines Limited, 499,993 shares to net the treasury a further amount of $274,996.15, making a total of $749,996.15.

On November 30, 1945, your Company had cash in bank and on deposit of $51,519.05, and Dominion of Canada bonds $275,000. Expenditures on exploration, development, head office, buildings, machinery and diamond drilling equipment total $145,221.58 since incorporation, which are distributed as follows:

| | |
|---|---|
| Diamond drilling — 45,333 ft. (to Dec. 18) | $116,296.34 |
| Buildings, machinery, diamond drilling equipment | 20,295.50 |
| Engineering and general administrative expenses | 8,629.74 |
| | $145,221.58 |

It is to be noted that mostly all the drilling was done under difficult conditions, namely, heavy overburden and transportation problems encountered. The government road now under construction was not completed, but it is expected to be ready for use in the Spring. Meanwhile, the property is serviced by a good winter road.

Your attention is also drawn to the fact that the drilling program to date only covers a small portion of the claims under exploration by your Company. A second program is now being undertaken and two machines will probe the eastern contact of the intensive plug which is believed to be responsible for the deposition of important orebodies. The Company's engineer reports that the orebodies indicated by diamond drilling now show a calculated total of approximately 10,000 tons per vertical foot, grading in the neighborhood of $9.00 per ton in copper, zinc, silver and gold. Mostly all intersections were obtained between surface and a vertical depth of 500 feet.

In order to confirm these drilling results, plans are being prepared for the sinking of a shaft, underground development and tests for the best means of ore treatment. In the meantime the necessary buildings are being erected to execute this program and three diamond drills are being kept in operation to add further to the value of the above results. The construction of the transmission line is completed and electric power is now available.

It may also be stated that important discussions are now taking place with organizations which specialize in the treatment of base metals.

EAST SULLIVAN MINES LIMITED

January 7th, 1946.

Per: A. ARCHAMBAULT,
Secretary.

HEAD OFFICE:
1604 ALDRED BLDG. - MONTREAL, QUE.

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**WESTVILLE MINES** reports surface stripping has exposed two shear zones on its 2,600 acres in Villebon twp., Que. One zone has been exposed for a length of 900 ft. across a width of 60 ft., with both ends still open. The zone is reported to have disclosed pyrite and arsenopyrite mineralization. Southeast of this zone, another shear was opened up for 400 ft. across a width of 40 ft., showing the same mineralization. Officers and directors: Wm. H. Bouck, president; B. O. Jones, vice-president; N. F. Murray and K. A. Davis.

**WEST AMULET MINES** advises that initial drill hole being put down on anomalies indicated by recent survey is now through the fractured diabase and diorite into the andesite-rhyolite contact. Work is under supervision of Cyril T. Young.

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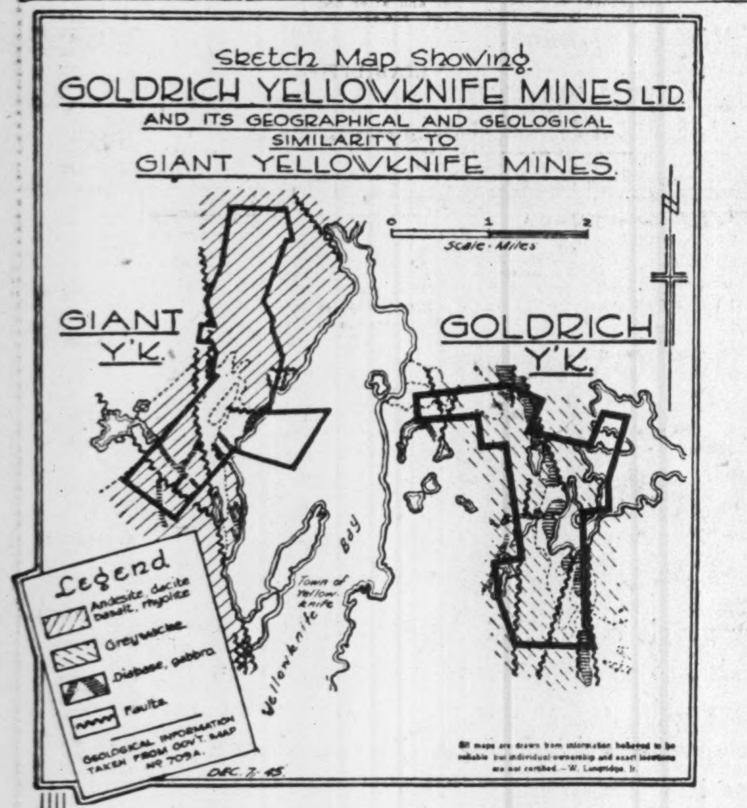
Sketch Map Showing
GOLDRICH YELLOWKNIFE MINES LTD
AND ITS GEOGRAPHICAL AND GEOLOGICAL SIMILARITY TO
GIANT YELLOWKNIFE MINES
Scale - Miles
GIANT Y'K
GOLDRICH Y'K
Yellowknife Bay
Town of Yellowknife
Legend
Andesite, dacite basalt, rhyolite
Greywacke
Diabase, gabbro
Faults
GEOLOGICAL INFORMATION TAKEN FROM GOV'T MAP Nº 709A
DEC 7-45

*Informational Bulletin*

# Goldrich a near neighbour of Giant

**Both are near the centre of activity in Yellowknife, less than a mile apart across Yellowknife Bay, and only three miles from the town of Yellowknife. Government map number 709A shows similar faults crossing both properties, one of those crossing Goldrich being the well-known Duck fault.**

## ENGINEER'S REPORT

Toronto, Ontario,
January 7th, 1946.

The Goldrich Yellowknife property is situated less than a mile from Giant Yellowknife Mines as measured in an easterly direction from that property. Numerous major and minor fault zones cross the property. The Duck fault runs northward through Goldrich and its position as shown by Government geological work indicates that it has a displacement of the formations amounting to several thousand feet.

Sedimentary rock formations appear on the exposed ridges of the property but it is believed that these lightly cover underlying volcanic rocks as these are found outcropping numerously on properties immediately to the south of Goldrich.

There is a series of parallel valleys where the rocks are overburdened. These valleys likely are followed by shear zone or faults, a condition in the Yellowknife field where important ore zones, such as those on the Giant property, have been found.

The conditions on the Goldrich property therefore are comparable to those on Giant Yellowknife, with the exception of the volcanics being lightly covered by sedimentary rocks.

J. L. Gilbert, B.Sc.

## THE PROPERTY

Goldrich Yellowknife Mines holdings comprise 24 claims aggregating approximately 1,000 acres in a compact block, covering an area of about 2¼ miles long and some 3 miles wide. The property is east of Yellowknife Bay some three miles northeast of the town of Yellowknife, Northwest Territories.

●

## CAPITALIZATION

| | |
|---|---|
| Authorized: — | 3,000,000 Shares, $1.00 par value |
| Issued | 1,050,000 Shares for properties (in escrow) |
| In Treasury | 1,950,000 Shares |

●

**A public offering of shares will be made on or about February 7th for the purpose of providing funds to actively explore the property and carry out surface work — mapping, stripping, trenching and sampling — to be followed by diamond drilling in due course. Whether or not this work will prove that Goldrich has real mine-making possibilities no one can say. It may be a dud, or may prove to be one of the "big fellows" in Yellowknife.**

**GOLDRICH YELLOWKNIFE MINES LIMITED**
(No Personal Liability)
330 BAY STREET, TORONTO 1, ONTARIO.

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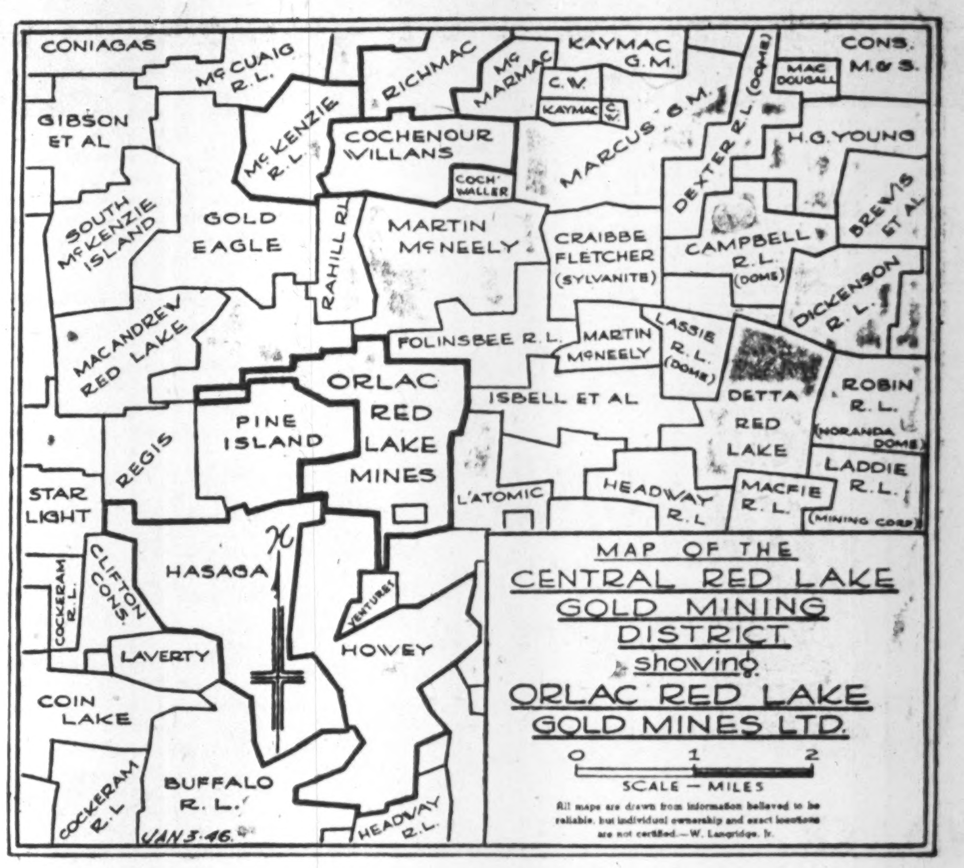
# ORLAC RED LAKE MINES



## TO SINK SHAFT 500 FEET

With approximately $100,000 cash in its Treasury, provided by Coin Lake Mines-Zenith Securities interests, Orlac is preparing to install equipment already ordered to enable sinking its shaft, now collared at 35 ft., to the 500-ft. objective to undertake development of ore already indicated on its 26-claim Red Lake property adjoining Hasaga.

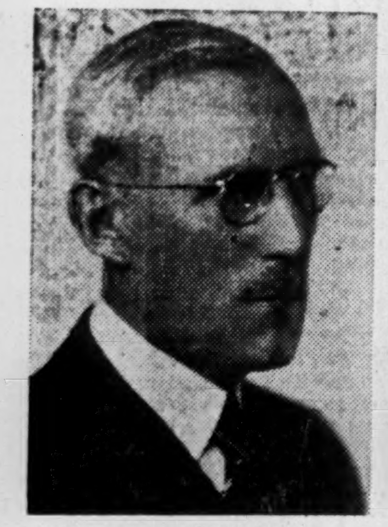
Diamond drilling on Orlac resulted in 16 drill holes intersecting the ore zone, of which 10 holes returned commercial gold values. Included in the drill intersections were 24 ft. assaying $6.31 per ton, 4 ft. assaying $18.02 per ton, 37.5 ft. grading $4.73, 20 ft. of $8.31, 15 ft. of $6.22, 22.9 ft. of $5.43, 5 ft. of $17.85, and 6 ft. of $10.50.

Capitalization of Orlac consists of 3,500,000 shares of $1 par value authorized, of which 1,845,005 shares are outstanding. Officials of Orlac are: J. M. MacIntosh, K.C., President; J. P. Manley, K.C., Vice President; W. M. Cochenour, E. C. Cochenour, F. A. Robertson, Directors. Manager is W. P. Mackle. The financing interests are represented above by Messrs. MacIntosh, W. M. and E. C. Cochenour, and by Mr. Mackle who is also Manager of Cochenour Willans Gold Mines.

*Orlac Red Lake shares are actively traded on the Toronto Over Counter Market.*

**ORLAC RED LAKE MINES LTD.**
*(No Personal Liability)*
357 Bay Street Toronto, Ontario

## CHARTERED TRUST CHANGES


J. J. GIBSON

H. E. LANGFORD

Ralph R. Corson, President of Chartered Trust and Executor Company, recently announced the retirement of John J. Gibson, LL.D., from the position of General Manager. Mr. Gibson has been Manager of this Company since its incorporation in 1907. He is being succeeded as General Manager by Henry E. Langford who has been an assistant General Manager. Mr. Gibson will continue on the Board as a Director. *

KNOWLES CONSTRUCTION Co.
414 Bay St., Toronto 1
PHONE AD. 7291
GENERAL CONSTRUCTION CONTRACTS UNDERTAKEN ON A FEE OR COST-PLUS BASIS ONLY.

## Aero Equipment Sales Are Near $5 Millions

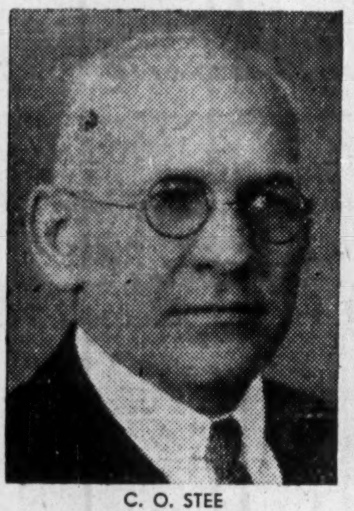
MONTREAL (Staff)—Sales of aero engines and equipment by War Assets Corp. in December realized $299,122, bringing total receipts from sales of aircraft and equipment to end of 1945, to $4,895,202.

Complete planes sold in December totalled 32, including Cessna Cranes, Harvards, Norseman, Canso, Venture, and one Cornell disposed of for educational purposes. Total aircraft disposed of up to Dec. 31 was 988, of which 329 were sold outside Canada.

**BELGIUM GLOVE & HOSIERY CO. OF CANADA, LTD.**, stock offering, consisting of 11,250 shares of 5% cumulative redeemable preferred shares, each $20 par, has been oversubscribed. The shares were offered at $20 a share, with each preferred share carrying a bonus of 2/5 of a common share.

## VINCENT MINING CORPORATION OFFICERS

NORMAN VINCENT
President


C. O. STEE
Vice-President

WALTER N. ROOK
Vice-President

Mr. Norman Vincent is President Vincent Mining Corporation Ltd., President Mica Company of Canada Ltd., President Canadian Anodized Products Ltd., and Vice-President Continental Coal Corporation. Mr. C. O. Stee, Mining Engineer, is Vice-President and Chief Engineer to Vincent Mining Corporation Limited, President Continental Coal Corporation Limited, Consulting Engineer to Malartic Gold Fields Limited and First President Western Quebec Mine Managers Association. Mr. Walter N. Rook is Vice-President Vincent Mining Corporation Limited, Director Mica Company of Canada Ltd., Vice-President Canadian Anodized Products Limited and Director Charles Warnock Company Limited. *

ALCAN
ALUMINUM
FORGINGS
CASTINGS
EXTRUSIONS
TUBING
WIRE, ROD, BAR & ALPASTE
now available for...
PROMPT DELIVERY

The above listed forms of aluminum are now available and prompt deliveries can be made, but because of increasing demand early booking is suggested.

Until additional equipment now on order is installed, plants fabricating aluminum sheet, foil and cable cannot make prompt delivery. Meantime, however, our technical staffs will gladly work with your planning department on the application of aluminum in your industry.

Aluminum is the ideal metal for many household, commercial and industrial uses. It has many characteristics which make it desirable in your plant or product. Some are listed below:

RESISTANT TO CORROSION • LIGHTER • CUTS SHIPPING COSTS • IMPROVED APPEARANCE • HIGH STRENGTH ALLOYS OBTAINABLE • LOW MACHINING COSTS.

ALUMINUM COMPANY OF CANADA, LTD.
MONTREAL TORONTO WINDSOR

**OIL PRODUCTION**

# Shell & George M. Bell Take Alta. Reservations

CALGARY—Shell Exploration Alberta Ltd. has taken up a Crown reservation covering 175,150 acres in the central Alberta foothills, the Alberta Department of Lands & Mines announces. The petroleum and natural gas reservation covers Crown rights in Twps. 29 to 33 in Rges. 8 and 9w5, cut through by the Red Deer River.

The block lies about 36 miles west of the towns of Carstairs and Didsbury, to the northwest of Roxana Oils' Keystone Valley development and to the north of McColl-Frontenac's Ghost River reserve.

George Maxwell Bell, Calgary newspaper publisher and oil operator, has taken up a Crown reservation on 20,000 acres on the central Alberta plains, the block centring on the railway point of Bawlf, in Twps. 45 and 46 Rges. 17 and 18w4.

One Crown reservation was cancelled during the week ended Jan. 10: South Brazeau Petroleums cancelled 10,240 acres in the central foothills, in Twp. 39 Rge. 13w5 and Twps. 39 and 40 Rge. 14w5.

* * *

### *Working on Pipeline*

Northwestern Utilities Ltd., operator of the Viking-Kinsella Gasfields and marketer of natural gas to the city of Edmonton and intervening towns, expects to complete transmission pipelines from the fields to Red Deer late in the summer. Pipe is now arriving from Youngstown, Ohio, and is being strung along the right of way, ready for welding. It is expected that welding will be completed in April, and that ditching, enamelling and burying of the line will start around May 1.

Part of a $4.5 millions transmission and distribution line expansion program, the 1946 schedule calls for:

1. Seventy miles of 8-in. pipeline from the Viking-Edmonton line near Holden southwest through Camrose to Ponoka.
2. Thirty miles of 6-in. line from Ponoka to Red Deer.
3. Eight miles of 4-in. branches extending to Wetaskiwin.
4. Addition of another 20 miles of 16-in. line to the 6½ miles of 16-in. laid last year east and west of Viking. The latter will be "looped" to the present 77 miles of 10¾-in. and 12-in. line between Viking and Edmonton, to increase transmission capacity of this system. Post-1946 plans call for extension of the 16-in. line to Edmonton, and expansion of distribution lines to thousands of new consumers.

Northwestern Utilities is a subsidiary of International Utilities Corp. of New York. Also subsidiaries of the American concern are the Canadian Western Natural Gas, Light, Heat & Power Co., operator of the Calgary-Lethbridge-Bow Island gas distribution system; and Canadian Utilities, operating steam and Diesel electric plants serving a number of southern Alberta and Saskatchewan prairie towns.

* * *

### *Seek Uniform Price Rise*

A committee of four was appointed at a regular meeting of the Alberta Petroleum Association directors Jan. 9, and was charged with the task of drafting a letter for submission to M. W. McCutcheon, Deputy Chairman of the Dominion's Wartime Prices & Trade Board. The letter will ask a proportionate increase in the prices paid the producer for oil produced on the prairies.

It will be recalled that WPTB ordered a 45 cents a barrel increase in the prices of Turner Valley crude oil, effective Jan. 1. The directive made no mention of prices for crude produced from other Alberta fields (bulk being heavy crudes produced on the prairies). Queried by the A.P.A., WPTB replied: "Refiners are being advised that they may negotiate increased prices for crudes from Alberta fields other than Turner Valley, increases not to exceed the increase authorized for Turner Valley. Authority to pay increased prices does not, of course, require refiners to pay all or any part of the authorized increase."

## COMPANY REPORTS

**NATIONAL TRUST CO.** for 1945 had profits of $346,998 ($298,608 in previous year). Savings deposits at $22,033,262 were up $1,155,464. An amount of $531,233 was carried forward in profit and loss account after transferring $76,998 from 1945 operations.

| | 1945 | 1944 |
|---|---|---|
| Liab. to public, etc.* | $22,850,210 | $22,343,934 |
| Shareholders' equity | 5,531,233 | 5,454,235 |
| *Secured by: | | |
| Mtgs. & sls. agree. | 5,368,456 | 6,839,713 |
| Realty for sale ... | 54,974 | 240,862 |
| Office premises .. | 810,349 | 810,348 |
| Liquid assets† ... | 22,147,664 | 19,,907,246 |
| Total ............... | 28,381,443 | 27,798,169 |
| †Includes bonds and stocks. | | |
| Estates account .... | 297,241,423 | 305,080,698 |
| **Earnings per share ..** | $11.57 | $9.95 |
| Paid ............ | 9.00 | 8.00 |

**GUARANTY TRUST CO. OF CANADA** had a net profit of $25,286 for 1945, compared with $22,397 for 1944. Moderate gains were experienced in all company departments during the year. Total assets amount to $23,416,281, an increase of $3,404,698. Bonds and other liquid securities amounting to $4,196,043 which are carried at less than market value, are over 102% of savings deposits and guaranteed investment certificates combined.

| | 1945 | 1944 |
|---|---|---|
| Liab. to public, etc.* . | $4,111,966 | $3,421,981 |
| Shareholders' equity. | 768,298 | 706,200 |
| *Secured by: | | |
| Mortgages ......... | 646,723 | 698,085 |
| Real estate ......... | 1 | 1 |
| Office premises .... | 26,989 | 27,903 |
| Other assets† ....... | 4,206,551 | 3,402,192 |
| Total ................. | 4,880,264 | 4,126,181 |
| †Includes bonds and stocks. | | |
| Estates account ...... | 18,536,017 | 15,883,402 |
| **Earnings per share‡ ..** | $6.32 | $5.89 |
| Paid ............... | 5.00 | 5.00 |

‡Based on amount paid up on subscribed capital.

**BRANTFORD ROOFING** products continue in strong demand and with an improved supply of workers, increased production is forecast. Additional capital was made available in 1945 by retirement of $93,800 5% bonds previously outstanding and authorization of $650,000 first mortgage bonds. No additional issue is contemplated at this time, Arnold G. Hitchon, president, states. Additions to plant during the year were limited to $20,925, but substantial commitments have been made for additions and improvement at the Brantford and Coldbrook plants.

**CONSOL. INCOME ACCOUNT**

| Years Ended Oct. 31: | 1945 | 1944 |
|---|---|---|
| Net income .......... | $161,443 | $179,199 |
| Less: Deprec. res. .... | 37,625 | 44,085 |
| Interest ............ | 11,883 | 11,131 |
| Income tax res.* ... | 75,000 | 87,000 |
| Net profit & surplus . | 36,935 | 36,983 |
| *Incl. refund. EPT.. | 9,000 | 11,854 |
| **Earnings per Share and Dividend Record:** | | |
| Com.: Excl. ref. EPT | $0.85 | $0.85 |
| Incl. ref. EPT .... | 1.06 | 1.12 |
| None paid. | | |

**CONDENSED CONS. BALANCE SHEET**

| As at Oct. 31: | 1945 | 1944 |
|---|---|---|
| Cash & govt. bds. .... | $386,688 | $49,090 |
| Accts. rec. ........... | 188,053 | 223,955 |
| Inventories ........... | 205,316 | 203,043 |
| Total curr. assets .. | 780,057 | 476,088 |
| Trustee acct. ......... | 24,833 | 24,148 |
| Deferred assets▲ ...... | 37,373 | 28,553 |
| Fixed assets* ........ | 492,356 | 513,339 |
| Total assets ........ | 1,334,619 | 1,042,128 |
| Bank loans ........... | ...... | 42,085 |
| Accts. pay., taxes, etc. | 224,345 | 250,746 |
| Total curr. liab. .... | 224,345 | 292,831 |
| Roofing cont. res. .... | 16,318 | ...... |
| Funded debt ......... | ■500,000 | 191,800 |
| Capital stock ......... | 380,640 | 380,640 |
| Capital surplus ...... | 67,607 | 67,607 |
| Earned surplus▲ ...... | 145,709 | 109,250 |
| *After deprec. of ... | 751,310 | 713,685 |
| ▲Incl. refund. EPT .. | 30,000 | 21,000 |

■After giving effect to issue of bonds dated Nov. 1, 1945, and redemption of previous bonds totalling $193,800.

| | 1945 | 1944 |
|---|---|---|
| Working capital ..... | 555,712 | 183,257 |

**ANGLO ROUYN MINES'** officials advise that crosscuts will be started immediately on the 400 and 525-ft. levels. Shaft sinking to present objective has been completed. Crosscuts to the west will be carried back toward old mine workings on No. 1 quartz vein, a distance of about 550 ft. The north crosscut will be driven some 500 ft. to traverse the north segment of the ore structure. It is estimated that four months will be required to carry both crosscuts to the ore areas.

**PAYMASTER CONSOLIDATED MINES** advises that bullion production was $96,704 from 11,799 tons gold per ton in Dec., 1945. Output treated, an average recovery of $8.20 totalled $94,861 from 11,150 tons milled, an average of $8.51 gold per ton in Nov., 1945.

**CANADIAN PACIFIC RAILWAY** has placed an order with National Steel Car for five new sleeping cars, each to contain 10 roomettes as well as five double bedrooms. Interior finish is to be applied at the CPR's Angus shops in Montreal.

R. A. PARHAM

has been elected to the board of directors of Imperial Tobacco Co.

## MINING CONCENTRATES

**MACDONALD MINES** has received payment from W. E. Burke covering 25,000 shares at $2.50 a share, part of Feb. 26 option installment of 50,000 shares. Issued capital—2,821,253 shares.

* * *

**RUGGED RED LAKE MINES** reports signing a contract calling for 10,000 ft. of diamond drilling on its property in Todd and Fairlie twps., Red Lake area, Ont., under supervision of R. E. Shatford, consulting engineer. First holes will be sited to cut the No. 3 and No. 1 zones.

* * *

**STADACONA MINES (1944)** reports net profit of $139,931, or 3.4 cents a share in 11 months ended Nov. 30, 1945. Bullion production was $776,960 from 115,970 tons milled, average $6.70 gold a ton. The shaft has reached a depth of 2,725 ft., President W. B. Maxwell reports, and present deepest lateral work is on the 2,625-ft. level. Grade of ore on lower levels is said somewhat better, in varying widths of from 6 to 8 ft. Diamond drilling from surface on other shear zones on the property was carried on in 1945 and further work will be done this year.

* * *

**WENDELL GOLD MINES** announces a new drilling program for its Duverny twp., Que., property following an inspection of claims by Theo. Koulomzine, consulting engineer. Core assays from earlier drilling are reported to have returned copper and nickel across narrow widths.

* * *

**WEST WASA MINES** says that latest hole drilled to 775 ft. on the joint boundary of Wasa Lake cut a second section assaying $5.40 across 6 ft. at 284 ft. The previous hole at a point 1,200 ft. west intersected $3.20 ore across a true width of 16 ft. at 700-ft. vertical depth.

FREE MINERS' EXEMPTION ACT

DEPARTMENT OF MINES
PROVINCE OF BRITISH COLUMBIA

WARNING

NOTICE is hereby given that the operation of the Free Miners' Exemption Act will cease on the 31st of December, 1947, subject to the following limitations:

Every person who holds a mineral claim or placer-mining lease under the provisions of this Act, to the anniversary date of the mineral claim or lease in 1947, or who obtains renewal of exemption until the anniversary date of the claim or lease in 1947, and who desires to maintain it in good standing to its anniversary date in 1948, must, before the anniversary date in 1947:

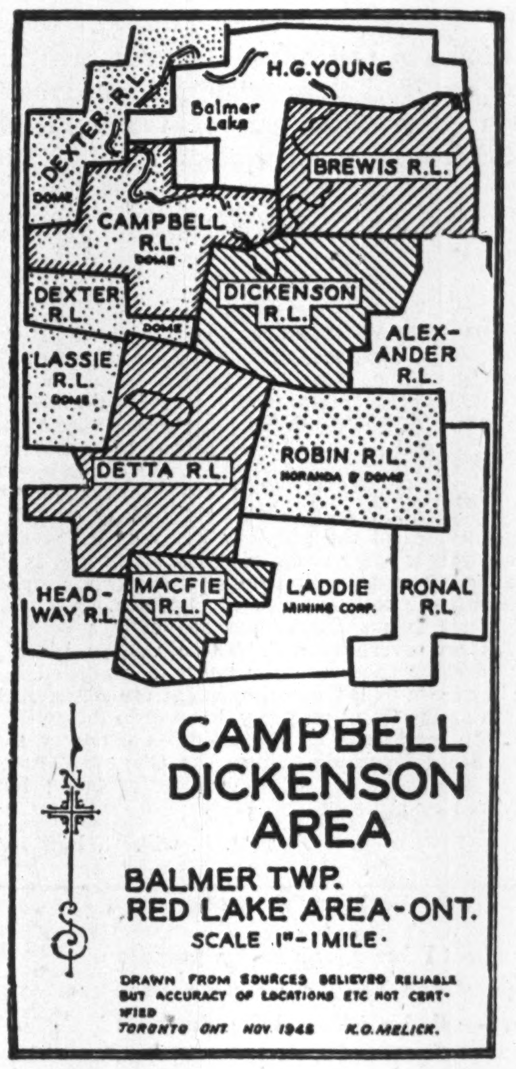
(a) in the case of a mineral claim perform and record assessment work or make payment in lieu thereof in accordance with the Mineral Act.

(b) in the case of a placer-mining lease make the necessary payment of rental and perform and record the necessary development work or make payment in lieu thereof in accordance with the provisions of the Placer-mining Act.

DEPARTMENT OF MINES
PARLIAMENT BUILDINGS • VICTORIA, B.C.
Hon. E. C. Carson, Minister of Mines.
72

46-2

Intelligent Employment of
"Risk Capital"



Few people realize that the demand for Government Bonds is so great that investors can only obtain them at prices which realize less than 3%. That means that Security Capital is facing a situation where it cannot hope to secure even 3% income.

Many of those, who, a year ago grasped the fact that, sooner or later, they would be forced to enter the Risk Capital field — and acted on that basic fact — have been able to secure profits which helped to counterbalance the low return on bonds.

We are risk capital specialists and our advice is available to those who ask for it.

Detta Red Lake is a striking example of Risk Capital opportunity, and reference to the map will indicate its exceptional setting in this compact area of skilled and dynamic activity.

Several important companies, flanking Detta on the east and west, on the line of strike, are among the best mining risk appraisers in the world. The presence of one would be interesting. The presence of three is highly significant.

Detta, itself, is set to commence drilling under the same management which conducted the early development of Campbell and has brought Dickenson to the shaft-sinking stage.

Detta is strongly financed, having over $200,000 in its treasury. We strongly recommend the immediate purchase of its shares.

BREWIS & WHITE
200 Bay Street, Toronto Telephone *ELgin 7225

BREWIS & WHITE,
200 Bay Street, Toronto, Ontario.
Please send me without obligation your NEW RED LAKE MAP and any information which might be of value to me.
NAME ........................................
ADDRESS ........................................

# Giant Starting On Its Second Shaft As Bottom Level Reached At No. 1

Sinking of the No. 2 shaft at Giant Yellowknife Gold Mines under power should be under way shortly with work now proceeding on the collar and headframe, The Financial Post is informed.

The station has been cut for the 450-ft. or bottom level station at the No. 1 shaft location and it is expected that the sinking crew will be transferred from the No. 1 shaft to the No. 2 opening as soon as the sump for No. 1 shaft is completed.

### In Ore This Month

If all goes according to schedule, crosscutting will be completed to the ore zone at the No. 1 shaft before the end of this month and a steady flow of underground news is anticipated thereafter.

Three drill holes have already been completed from the 200-ft. level station of No. 1 shaft returning ore intersections. Hole U-1 a short distance bel w surface hole S-148 which returned 1.91 oz. over 4 ft., has returned 1.93 oz. uncut over a horizontal width of about 12 ft. or a narrower true width. It cut the north extension of the east zone on the northeast side of the diabase dike that passes through the 200-ft. level station.

Hole U-2—second of the three underground holes—cut the northern extension of the East zone on the southwest side of the diabase dike, the hole cutting obliquely through the ore zone. A core length of 66.4 ft. returned 0.54 oz. uncut representing a horizontal width of the zone of about 16 ft.

Hole U-3 entered ore at 83.5 ft. at the probable north termination of the East zone against a fault. As the bearing of the hole is approximately parallel to the strike of the ore zone, the grade reported for the ore-bearing sections is not indicative of the average grade of the ore through which the hole was drilled. A core length of 18.5 ft. starting at footage 83.5 ran 0.57 oz. cut and uncut while a farther 10.5 ft. starting at footage 170.5 ran 0.31 oz. cut and uncut.

### Find Ore at Depth

S-274, a surface hole drilled on the north extension of the North Dadson zone, returned two substantial ore intersections as well as some lower grade intersections higher up in the hole. At a depth of 700 ft., a core length of 57.0 ft. returned an uncut average 0.47 oz. or a cut value of 0.45 oz. At a depth of 770 ft., a further core length of 55.5 ft. returned 0.57 oz. uncut or 0.49 oz. gold cut value. This particular hole provides further indication that ore will be found at depth on Giant.

Hole S-274 lies 200 ft. north of hole S-266 and the initial 57-ft. section in S-274 links up with the ore intersection in the bottom of hole S-266. It is thought that if hole S-266 could have been drilled deeper that the second ore section in hole S-274 would also have been cut. However, the drill did not permit of any further deepening of the hole.

An intermediate hole was put down between hole S-266 and hole S-274 but it was flatter, did not go so far. It would not apparently have cut the ore structure due to a flat fault coming in at shallower horizons, it is stated.

Preparations are going forward to proceed with the power development on the Snare River. Altogether it is planned to take in 1,500 tons of construction equipment and supplies, a large part of which consists of cement for building of the dam.

Much of the material will be taken in by winter road but some may be transported via water. Further work is being done by way of studying recommendations for the power development.

# Deep N.W.T. Test For Imperial Oil

A wildcat test well was spudded in by Imperial Oil on Dec. 26 in the Northwest Territories about 120 miles upstream from the Norman Wells field and about seven miles west of the Mackenzie River, The Financial Post is informed.

This well, which is named Redstone No. 1, is designed to test the oil possibilities of a structure mapped in 1943 by W. P. Hancock of the company's geological staff. It is expected that the ultimate depth will be around 6,000 ft. and that rocks of both Cretaceous and Devonian age will be penetrated.

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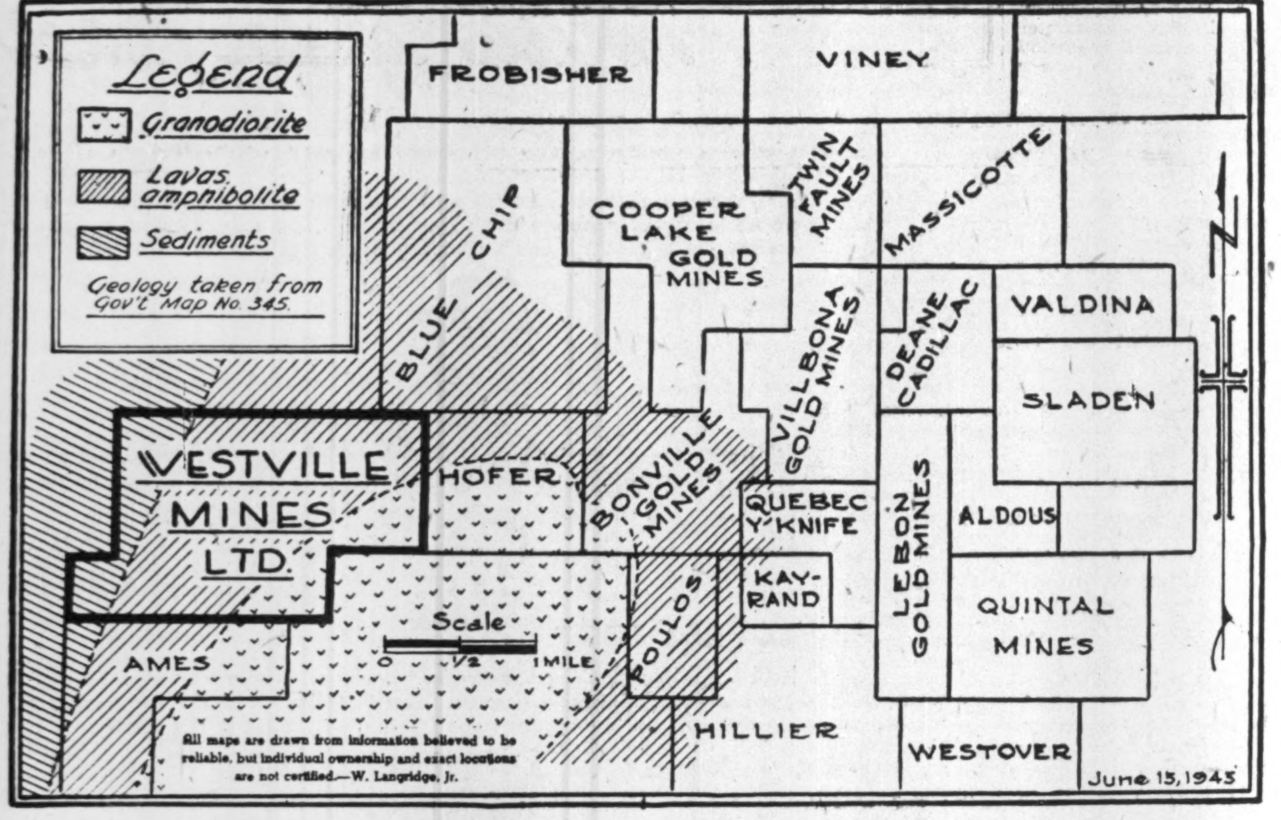
**ELDERIDGE GOLD MINES** reports two drills being employed in probing a strong fracture zone intersected by hole No. 18. The zone occurs in a semibasic granodiorite and contains scattered mineralization and quartz stringers. Continuous values ranging to 0.14 oz. per ton were reported obtai :eu in No. 18 hole over a core length of 41.3 ft. Two additional drills are being sent into the property.

WESTVILLE
MINES LIMITED
(No Personal Liability)

LOCATION:—

Villebon Township, District of Abitibi, Que., about 25 miles east and southward of Val d'Or, comprising 2600 acres on the Noranda-Montreal Highway and crossed by the winter road from the highway to the Villbona, Bonville Mines and other properties being actively developed in the same area.

MAP SHOWING WESTVILLE MINES LTD. in VILLEBON TWP.



All maps are drawn from information believed to be reliable, but individual ownership and exact locations are not certified.—W. Langridge, Jr.

June 15, 1945

ECONOMIC POSSIBILITIES:—

A number of factors make Westville economically significant: (1) It is situated in the very important Quebec mineral belt in which so many discoveries have been made, for instance Bonville and Villbona Mines, which are situated about two miles to the north east of Westville. (2) The Westville claims extend for about one and one-half miles along both the contact of the Keewatin and the granite and the Keewatin and the Temiskamian, and are favourable areas for exploration. (3) The shear on which Lake Victoria lies probably extends through Westville, because two important shear zones were discovered by stripping in the centre of the Westville property.

DEVELOPMENT OPERATIONS:—

Beginning the end of June, 1945, operations were started under direction of Mr. R. E. Renshaw, M.Sc. Adequate camp buildings were erected and some 45 miles of picket lines were cut. The cutting of these lines enabled accurate mapping of the topography and geology. Following this, a complete geophysical survey of the property was made. In addition, 3,500 feet of stripping by bulldozer and hand work was completed and this stripping revealed two important shear zones — one 900 feet long 60 feet wide open at both ends with mineralization of pyrite and arsenopyrite with gold values; a second zone to the south east open for 400 feet and 40 feet wide with similar mineralization with some chalcopyrite. A contract was made with Inspiration Mining and Development Co. Ltd., for a diamond drilling program now under way.

CAPITALIZATION

| | |
|---|---|
| Authorized | 3,500,000 shares — Par $1.00 |
| Issued: For Property and Cash | 1,500,000 shares |
| Balance in Treasury | 2,000,000 shares |

OFFICERS AND DIRECTORS

Vice-President: B. O. JONES,
Toronto, Ontario.
Mgr. Nib Yellowknife Mines Ltd.

President: W. H. BOUCK, Solicitor,
Toronto, Ontario.
Pres. Nib Yellowknife Mines Ltd.

Director: N. F. MURRAY,
Perron, Que.
Mgr. Perron Gold Mines Ltd.

Director: KENNETH A. DAVIS,
Toronto, Ontario.
Director & Gen. Mgr. Inspiration
Mining & Development Co. Ltd.

Secretary: J. R. HETHERINGTON, Solicitor,
Toronto, Ontario.

Registrar and Transfer Agents:
TRUSTS & GUARANTEE COMPANY
LIMITED,
302 Bay Street, Toronto, Ontario.

WESTVILLE MINES LIMITED
Room 101, 19 Melinda Street, Toronto, Ontario

# 70 Firms Busy In Yellowknife

## Alberta Sees Big Mine Expansion Trend When Manpower Available

From Our Own Correspondent

EDMONTON—About 70 mining companies have exploration programs embracing diamond drilling, trenching and geological survey, underway in the Yellowknife and associated mining fields of the north.

L. E. Drummond, secretary-manager of the Alberta and Northwest chamber of mines, reports 29 diamond drills in operation. Share capitalization of more than 200 mining companies incorporated for work in the Northwest Territories totals more than $500,000,000, he states, predicting that as labor becomes available, mills already constructed at gold mines in the Yellowknife field will reopen.

Mr. Drummond also reported: the salt plant at Waterways has been enlarged and now is capable of producing 100 tons per day; Alberta coal output increased in 1945 in spite of labor and supply shortages; the field of petroleum investigations has swung northward from southern Alberta into the central area, northern B. C. and the Northwest Territories; large federal 1946 appropriations were made for northern transportation development.

He said transportation was the key to northern developments and this year the $2,000,000 federal appropriation for roads, and additional appropriations for dredges, improvements to northern waterways and channels and wharves, would materially assist in speeding up transportation by land and water. He maintained that the all-water route would continue to be the cheaper line of transportation to Yellowknife.

A decision had not yet been announced on the federal policy regarding the aviation company or companies which might carry on northern services after April 1, date of termination of the present contract for the services held by Canadian Pacific Airlines. Mr. Drummond said he would appeal for a decision to the Board of Transport commissioners during a trip he will make to Ottawa shortly.

Reviewing oil development, Mr. Drummond noted investigations south of Norman Wells, near Fort St. John, along the Peace River near Pine Pass, and southward to the main CNR line along the Alberta coal branch and across to the Brazeau, and in the vicinities of Wainwright, Vermilion and Lloydminster.

Development in the Yellowknife field of tantalum, tin and beryl ores would be followed with interest, Mr. Drummond reported.

Some mining companies were investigating oil possibilities in the upper Mackenzie, to reduce distances from oil to mining operations, if possible, he stated.

# MINING CONCENTRATES

**ASHER GOLD MINES** reports payment received covering option agreement three months in advance of due date.

• • •

**BRADNOR MALARTIC MINES** advises that drill hole B-2, after advancing from 800 to 852 ft., was abandoned due to cave-in. Extensive sampling of B-1 core is now being done.

• • •

**BALMORAL PORCUPINE GOLD MINES** announces two diamond drills now in operation on its property in Adams twp., South Porcupine district, Ont. Holes Nos. 7 and 8 are under way to extend and correlate values and mineralization disclosed in holes Nos. 5 and 6. The company reports arrangements completed to buy necessary equipment and hydro power for shaft sinking as recommended by Louis Whitman, consulting engineer.

• • •

**CLARNOR MALARTIC MINES** advises that drill hole No. 14, located 613 ft. south of hole 13, ran into badly broken rock formation at ledge depth of 124 ft. Several attempts to continue drilling after cementing, were made but the hole had to be abandoned. It has been recollared 542 ft. south of No. 13 and piping is now in progress. Hole 14 will complete the cross-section being drilled from north to south boundary.

• • •

**DESTORADA MINES** says that initial drill hole has been spotted on the west boundary of the property which lies midway between Duquesne and Thurbois.

• • •

**GLENLIVET GOLD MINES** reports that initial drill hole has reached a depth of 590 ft. with core from 115 to 590 ft. consisting of intermediate lavas of greenstones with a few narrow quartz-carbonate stringers. In places, fine grained pyrrhotite occurs disseminated throughout the country rock. The hole is to be continued to approximate depth of 1,000 ft. Hole No. 2 will be drilled southward from a point slightly north of hole 1 in order to explore the 450 ft. between No. 1 setup and the boundary.

• • •

**KAYRAND MINING & DEVELOPMENT CO.** reports an average gold content of 0.1594 oz. or $6.13 per ton obtained from a bulk sample of 6,906 lb. of ore from the north section of No. 1 zone. The milling test checked closely with dry sampling results, which were calculated at 0.1565 oz. per ton. Further bulk sampling is to be carried out on the No. 1 and No. 9 veins and the Gold Star vein.

• • •

**NARECO GOLD MINES** reports a small X-ray drill being used to probe short distances below surface to determine the best site for deep drilling. Some gold values have been obtained in this drilling about a mile north of the point where Colomac is conducting work.

• • •

**PANDORA CADILLAC GOLD MINES** advises that No. 3 shaft has been dewatered to bottom level at 400 ft. with plans under way to extend the shaft to an initial depth of 1,025 ft. H. M. Butterfield, consulting engineer, states that last hole in surface drilling cut three probable ore sections with core samples assaying $6.55 from 773 to 781 ft., $13.09 from 816.7 to 817.5 ft. and $5 from 891.8 to 893 ft. An earlier drill hole cut seven probable ore sections to a depth of 1,190 ft.

# Ontario Gold Output Up $269,458 in Nov.

Ontario gold production was $5,279,708 in Nov., 1945, up $269,458 from the same month of the previous year. All districts except Northwestern Ontario showed slight increases.

Output dropped to $53,656,778 in the first 11 months of 1945, off from $59,298,520 in the same period of the previous year. Output from the Porcupine area was $1,772,442 lower at $29,106,789, while Kirkland Lake-Larder Lake production was off $987,316 to $16,694,817. The Matachewan-Sudbury area disclosed a [illegible] of $195,814 to $1,175,280, while Northwestern Ontario showed a drop of $3,078,781 to $6,678,909.

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**AUBELLE MINES** reports that shaft has reached 414 ft. on way to initial objective of 500 ft. Exploration of No. 2 vein by diamond drilling is being continued in conjunction with shaft sinking.

Information and data supplied on request on any Canadian Industrial or Mining Security

A. E. OSLER & COMPANY

Established 1886—Members The Toronto Stock Exchange

Osler Bldg., 11 Jordan St. TORONTO 'Phone: ADelaide 2431

**NORTHLAND MINES (1940)** advises that two drill holes have been completed and a third should be finished soon on its property in the eastern Kirkland Lake area. The first two holes were put down for geological purposes, with the second locating the main porphyry-sedimentary contact. The hole currently drilling is reported to have cut 14 ft. of mineralization at shallow depth. Only low gold values were obtained. Northland and American Yellowknife Mines have incorporated Quyta Lake Mines on the 27-claim group owned jointly by these companies in the Yellowknife area.

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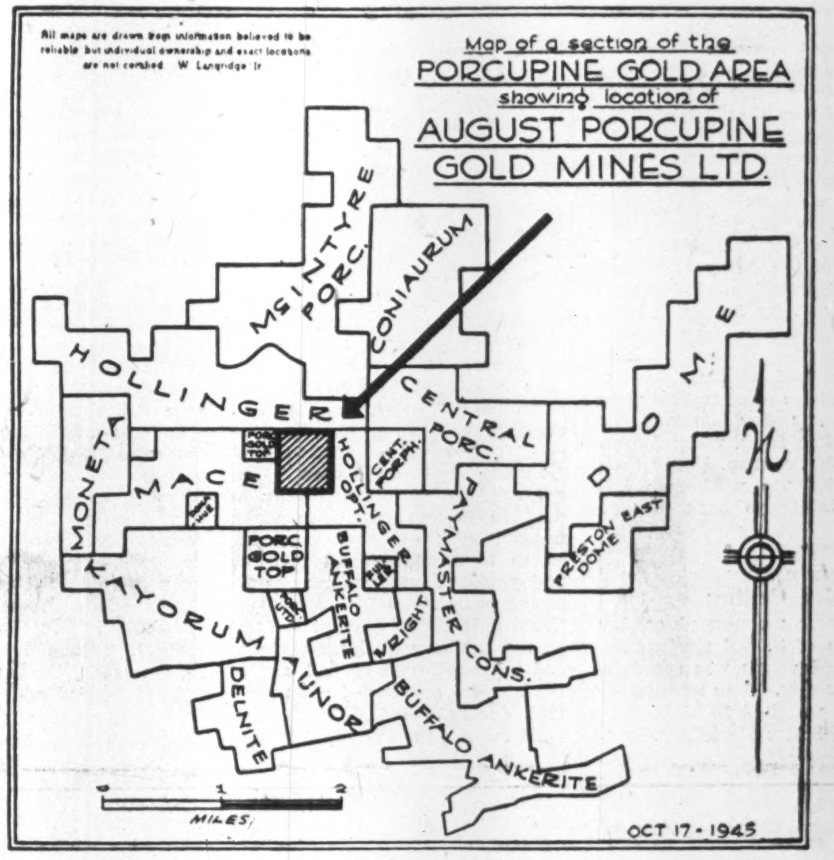
**BIDD YELLOWKNIFE EXPLORATION CO.** says that 336 ft. of X-ray drilling has been done on its Yellowknife property. A quartz vein 30 ft. wide and 1,000 ft. long has been reported picked up and showing fair mineralization. A program of deep drilling is planned in the spring.

AUGUST PORCUPINE
GOLD MINES LIMITED
(NO PERSONAL LIABILITY)

| | |
|---|---|
| CAPITALIZATION | 3,000,000 |
| ISSUED FOR PROPERTIES AND CASH | 1,250,005 |
| IN TREASURY | 1,749,995 |

FINANCES: The treasury has received payments for the initial 100,000 shares underwritten. An additional 150,000 shares, under the Option Agreement, have been taken up in advance.



A program of deep diamond drilling is under way on this property, which program is designed to check assays reported by previous operators.

*The following is a copy of the report of Mr. J. L. Jowsey, M.E.:*

PROPERTY and LOCATION: The property consists of four claims located in the Township of Tisdale in the Province of Ontario, being about one-half mile south of the Town of Schumacher and easily accessible by motor road from that town. The four claims contain about 160 acres and are as follows:

S.E. 1/4 of S. 1/2 Lot 9, Concession 2.
N.E. 1/4 of N. 1/2 Lot 9, Concession 1.
S.W. 1/4 of S. 1/2 Lot 8, Concession 2.
N.W. 1/4 of N. 1/2 Lot 8, Concession 1.

The property is surrounded by Hollinger on the North, Mace to the West, and Porcupine Tisdale to the South and East.

GEOLOGY: At the south end of the property a rather massive spheralitic flow appears, while the remainder of the outcrops are sheared carbonated andesite, some sections being highly schisted and mineralized. These shears strike north 65 degrees west and dip from 70 to 80 degrees to the north. There are numerous parallel quartz veins varying in width from six inches to three feet. These veins are cut by narrow stringers which cut the formation at right angles. The main quartz veins appear to dip to the south at a steep angle. The Alma vein, located in the north-west corner of the property, is the most continuous vein and free gold was seen in several places along its length.

DEVELOPMENT: Considerable work has been done on the property in the past. Old trenches and pits are very numerous. Thirteen drill holes have been put down. An inclined shaft was sunk on the Alma vein and a small amount of drifting done on the 300-foot level. The dip of this vein should carry it north to the Hollinger line at a depth of about 500 feet, but due to the excellent mineralization and visible gold, it is well worth further development. Information on the drilling is very scarce, but good values were reported in holes 5 and 8, which seem to line up very well with the strike of the shearing. These two holes should be checked by further drilling and the area between them probed for the continuancy of this zone. This zone should not reach the north boundary until a depth of 2,700 feet is reached.

CONCLUSIONS: Your property is well located in the centre of the Porcupine Mining Camp. It contains many strong, well mineralized shear zones with an east-west strike and dipping steeply to the north. There are a large number of quartz veins in these shears. Free gold was seen in several places along the Alma vein, and good values were reported in holes 5 and 8.

In view of the foregoing it is recommended that further drilling be done, with particular attention being paid to the zone indicated by drill holes 5 and 8.

*A map showing property location on scale of 1 inch equals 2,000 feet and a surface plan on scale of 1 inch equals 100 feet accompany this report.

Respectfully submitted,
(Sgd.) J. L. JOWSEY, M.E.

Nov. 6, 1945.

**This map is available for inspection at Company's Office.*

TRANSFER AGENTS: Guaranty Trust Company of Canada, 70 Richmond Street West, Toronto, Ontario.

AUGUST PORCUPINE is traded on the Toronto Over-the-Counter Market, present price approximately 50 cents per share, as of January 8th.

August Porcupine Gold Mines Limited
J. G. McCHESNEY,
President and Mine Manager.

HEAD OFFICE: 70 ALBERT ST., TORONTO, ONTARIO
FIELD OFFICE: BOX 813, SCHUMACHER, ONTARIO

**THE WASHINGTON LETTER**

# Clouds Darken U.S. Labor Horizon As 800,000 Threaten Steel Strike

**Special Correspondence**

WASHINGTON—Prospects for industrial peace, probably the most important problem of the people of the United States today, dark at the beginning of last week, brightened somewhat with the issuance of the report of the President's fact-finding board in the General Motors strike, but were plunged into confusion and gloom again as the week ended.

The General Motors-United Automobile Workers strike is now entering its eighth week. It involves 175,000 production workers, who are estimated to have lost between $55 and $60 millions to date. The members of the President's board were Lloyd K. Garrison, former chairman of the War Labor Board, chairman; Milton S. Eisenhower, president of Kansas State College and brother of Gen. Dwight D. Eisenhower; and Walter B. Stacy, chief justice of North Carolina. The board recommended a wage increase approximating 17½%. The report was rejected by General Motors, and the next step is uncertain.

On Jan. 11 and 12, long distance telephone service was all but paralyzed in 44 of the 48 states by a strike of approximately 7,000 members of the Association of Communication Equipment Workers (ACEW), the union of telephone installation employees, against Western Electric Co. ACEW workers threw picket lines around the telephone exchanges which many telephone workers, members of associated unions, refused to cross.

In Washington the strike was brought directly home to the White House itself by a strike of 3,000 Washington operators, not connected with the Western Electric strike. Incoming and outgoing long distance White House calls through regular channels were blocked, and the White House was forced to place calls through the Army and Navy direct communication lines with principal cities. By Saturday, however, White House service was practically normal.

It is expected that unless this strike can be settled quickly the Government, under its wartime powers, still in force, will seize the entire A.T.&T. system. Under these circumstances the workers would almost certainly go back to their jobs.

* * *

### Steel Dispute May Boost Price Ceiling

As Congress reconvened on Jan. 14, a strike of 800,000 steelworkers for increased wages was scheduled to be under way. When negotiations between the United Steel Workers and United States Steel Corp. broke down, President Truman invited Philip Murray, union president, and Benjamin Fairless, president of U. S. Steel, to a conference at the White House. Both accepted.

The steel negotiations are free from the controversial problem of examining the employer's books, raised by R. J. Thomas and Walter Reuther of the CIO Automobile Workers Union which caused General Motors to withdraw from the hearings before the fact-finding board. Settlement of the steel controversy is so important, because of its widespread repercussions on industry, that a compromise is expected. It is predicted that Price Administrator Chester A. Bowles will permit a rise in ceiling prices, and United States Steel Corp. will go a long way toward meeting the union's demands for higher wages. The Steelworkers' Union is expected to defer the strike date to permit completion of price studies.

Jan. 16 was set as the date for a strike of approximately 200,000 CIO packing house workers, who may be supported by 135,000 members of the AFL meat cutter and butchers' union. Here again, increased pay is the cause.

The Government still has power to seize and operate plants, but it is reluctant to do so now that the war has ended. A comprehensive labor policy is needed, and there is little evidence as yet that it exists either in the White House or on Capitol Hill.

* * *

### Think Truman Spanked Congress Too Hard

Considerable feeling exists here that the President's verbal spanking of Congress in his recent radio address was not justified. This point of view cuts across party lines.

An employment bill described by the President as "satisfactory" was passed by the Senate. Another, which the President described as "not at all acceptable, and not accomplishing any of the purposes sought" was passed by the House of Representatives.

The Senate bill imposes on the Government "the responsibility . . . to assure continuing full employment." The House bill declares that it is the policy of the United States, by a specified variety of means, to stimulate private enterprise when unemployment exists or threatens "so as to stimulate and promote employment . . . production and purchasing power."

Both bills are an attempt to combat the ordinary business cycle of good times followed by bad, and to alleviate the distress of unemployment during the bad. Both bills would require the President to submit to Congress at stated periods, reports in effect setting out the economic state of the nation, with emphasis on employment, production and purchasing power, and recommendations for legislation to ensure employment, production, and purchasing power. Under each bill, the President would be advised and assisted by a consultative group.

* * *

### Big Responsibility For Administration

Opinions on government assumption of such a responsibility as proposed by the Senate, a responsibility which probably no government except perhaps Russia has ever assumed before, differ strongly. Opponents of the bill argue that, were it in operation today, the Government, in addition to its other troubles, would presumably be embarked on a course of expenditure based on taking up last year's estimate of 6,000,000 unemployed, whereas latest figures indicate only about 1,500,000 unemployed.

A serious block to disposal of government-owned aluminum plants has been removed by the agreement of Aluminum Co. of America (Alcoa) that Reconstruction Finance Corp. will have free use of Alcoa's patents for making alumina from bauxite, with the right to license use of the patents to any companies leasing government-owned plants.

Alcoa is defendant in an anti-trust suit by the Department of Justice because of which it is prevented from taking over the plants which it built and ran for the Government as a wartime operation. There were no conditions in the licensing agreement for the Government's discontinuing its monopoly action, but Attorney-General Tom C. Clark wrote that the agreement was "entirely in line with the objejctive of the pending antitrust suit."

As a result of the agreement, Reynolds Metals Corp., which entered the aluminum field during the war, will take over the two government-owned plants at Hurricane Creek, Ark., which produces alumina from bauxite, and at Jones Mill, Ark., which produces aluminum from alumina. The agreement makes alumina available also to the three government smelting plants at Spokane and Tacoma, in Washington, and at Troutdale, Oregon.

Attorney-General Clark stated later that whether Alcoa would ultimately be permitted to purchase any of the surplus government plants depended on the extent to which Reynolds' activities "has actually put competition into the industry."

**J. D. MINGAY**

**is a partner in the newly formed firm of Cassels & Mingay, which will deal in all lines of insurance.**

# *Vancouver Ready To Start $50 Millions "Face Lifting"*

**From Our Own Correspondent**

VANCOUVER—With its financial position better than at any time since 1937, Vancouver is now ready to embark on its $50 millions 10-year plan of public works, lifting the city's face, and providing employment, Mayor Cornett told City Council in his 1946 inaugural address.

In 1946, in addition to major works projects, the city will:

1. Present its claim for increased financial aid to the Provincial Government.
2. Increase the police force strength beyond additions made in the closing months of 1945.
3. Ask Ottawa and Victoria to aid in solving unemployment.

City Council and the Town Planning Commission, he said, "should lose no time" in giving final decision on a plan for industrial sites in the Boundary Road district "otherwise we will lose out in the race for new industries."

# 'Peg Converts War Weapons To Peace Use

### New Industries in Operation Soon, Will Provide Jobs for 750

**From Our Own Correspondent**

WINNIPEG—The degree to which World War II was mechanized and the role played in it by scientific discovery, are reflected by the nature and unusual number of new industries springing up in Winnipeg. Those about ready to start will have initial payroll of about 750 persons.

Many have their origin in apparatus used on the battlefield or in war work on the home front. One firm is starting manufacture of semiautomatic telegraph and sending keys. Another will turn out various types of electronic appliances such as public address systems, static inducers, contact pick-ups, and record players.

One company plans to make motor boats, sailboats and canoes from plywood. Another will produce technical apparatus for various types of industrial testing.

Companies have been organized to manufacture household utensils, brushes, auto trailers, ventilation equipment, wooden furniture, statues and plaques, chromium chairs and tables, bakery supplies, restaurant equipment, chenille products for the home.

Ray-O-Vac Co., whose headquarters are in Madison, Wisconsin, has acquired premises to turn out dry batteries and radio packs. The company has bought from the Dominion Government a building formerly used by Canadian Airways with 56,000 feet of floor space. In initial operations it will employ about 250 persons.

### New Firm To Sell Airplanes In West

**From Our Own Correspondent**

EDMONTON—A new aviation company has been formed here by city businessmen and former RCAF fliers. Known as the McDonald Aviation Company, it is headed by Sid McDonald, Edmonton hotelman.

The new company, expected to be in operation by the end of January, will sell and distribute two new types of small planes in the four western provinces and the Northwest Territories. It expects to have new planes in Edmonton early in February following a ferrying trip from Fort Worth, Texas.

The two types of planes, the Republic Seabee and the Swift, are among the latest designed small private planes. Immediate delivery is available on the Swift aircraft, a low-wing, all-metal single-engine monoplane.

Vice-president of the company is S. Skinner, D.F.C. The company will employ returned RCAF men exclusively in instructing, repairing and selling of the aircraft.

**TOWN OF LAUZON,** Levis county, Que., has paid from its 1944 budget about $40,000 of capital expenditures made during years 1942, 1943 and 1944. Notwithstanding these payments, the municipality reported for last year an operating surplus of $7,371, and decreases of $32,730 in net debt and $19,618 in consolidated debt.

# Gains Likely By Converters

MONTREAL (Staff) — Improved results are likely to be shown by Canadian Converters, Ltd., for the current fiscal year, ending April 30. Earnings available for the "A" (stock held by stockholders who previously had the old Converters common stock) are expected to be shown slightly better.

(In September, Canadian Converters stockholders approved a plan whereby seven other textile fabricating companies were acquired. The old Converters common stock was changed on basis of one old common share for four new "A" preferred shares and one new class "B" common share.)

Sales in some lines are lower, it is understood, due to difficulty in getting materials, but newly acquired plants have been showing gains, and there has been an improvement on balance.

Current year's results also are being affected by certain nonrecurring expenses in connection with consolidation of the various properties into one organization.

Since the present management took over control of the company, in 1944, Canadian Converters has been steadily improving and modernizing plant facilities, and such outlays are expected to improve future earnings.

**PRINCE EDWARD ISLAND** — has imposed an amusement tax on all skating rinks. Formerly they were exempted on the grounds that skating is a physical exercise. Tax rates run from 1c. on admissions up to 15c. to 5c. on admissions of 50c. and over.

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# Exporters Ask Wider Markets

"Three eighths of the working population of Canada depend on export trade for their livelihood" is the theme of the second annual convention of the Canadian Exporters' Association in Montreal on Jan. 24.

"Within six years the entire economic and social structure of Canada has changed, owing to rapid expansion of productive capacity in manufacturing," states S. E. Diamond, president of the association.

"This expansion far exceeds possibilities of domestic consumption. At no time in the history of Canada have so many businessmen recognized so clearly the economic necessity to our country of a huge volume of two-way trade."

John Abbink, chairman of the National Foreign Trade Council of the United States, will speak on a realistic approach to United States-Empire Trade relations. H. D. Scully, Canadian Consul-General in New York, will speak on foreign trade and its international responsibilities.

Canadian Exporters' Association forum—open to all interested in foreign trade—will be held in the afternoon. When first held in 1944, it was the largest conference ever to be held on foreign trade in Canada.

**CANADA CEMENT CO.** has declared a quarterly dividend of $1.62½ on preferred stock, payable March 20 to stock of record Feb. 22. Previous quarterly rate, for the past four years, has been $1.25.

**BANK OF MONTREAL** has declared a quarterly dividend of 20 cents, payable March 1 to stock of record Jan. 31. Previous quarterly rate was 15 cents, paid since 1942.

Better put supper in the oven

Won't be home tonight. Have to work. Have to catch up. Everything's all a fumble again.

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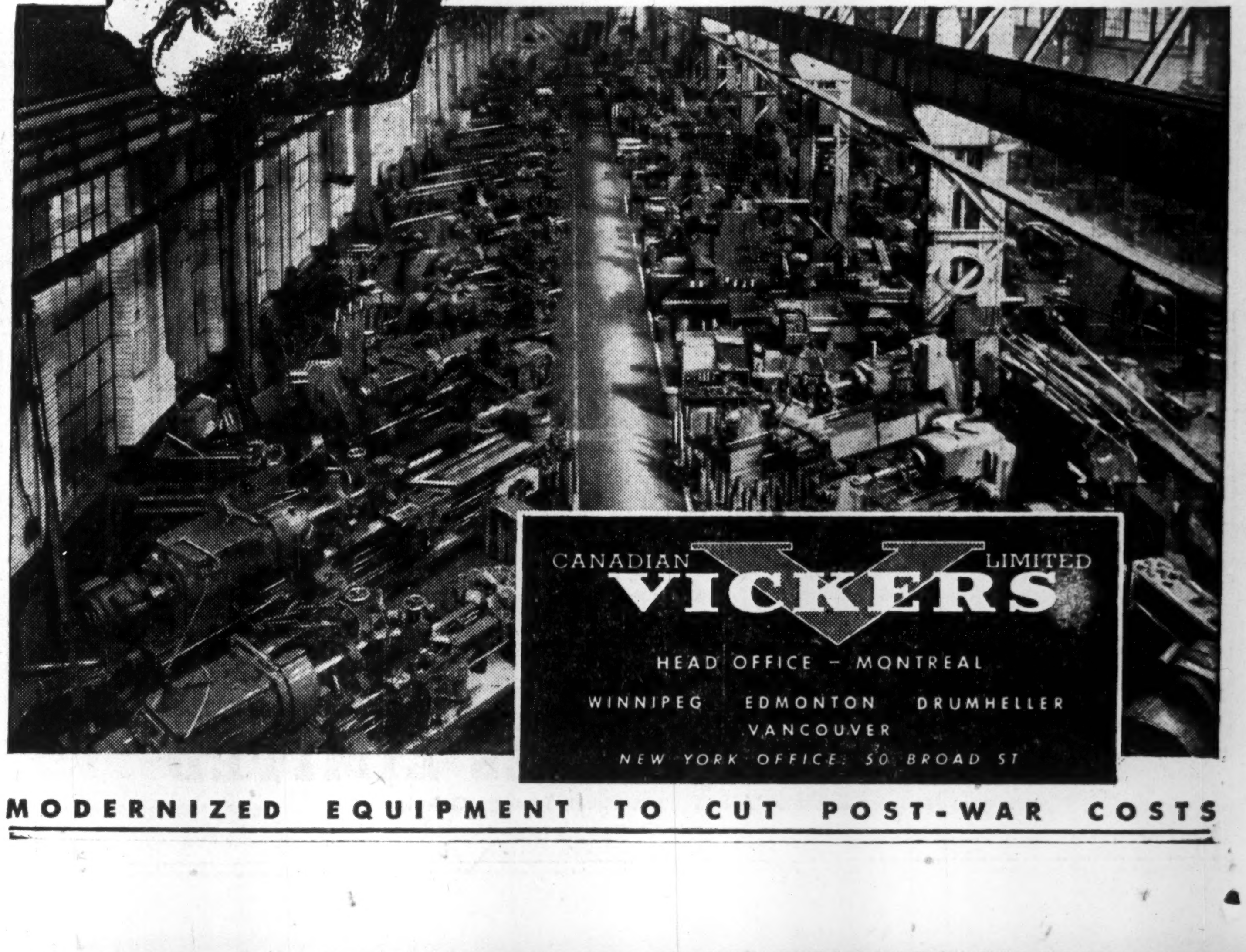

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